department highlights

Alberta
ENVIRONMENT

You must be the change you wish to see in the world. *Mahatma Gandhi*

message from the minister

2002-2003 has been a significant year for Alberta Environment. The department has been involved in some of the most important challenges facing our province, and developed innovative and effective solutions that have led the way at the provincial, national and international levels.

This booklet presents some of the highlights of the accomplishments of department staff working in partnership and collaboration with our stakeholders over the past year. Our efforts to develop an Alberta plan for action on climate change and the public consultations around a draft water strategy were huge undertakings in which the department showed its leadership and vision. Although these were perhaps the biggest of the initiatives, there were thousands more completed by department staff.

We will continue the work that needs to be done to sustain a high quality of life for Albertans through the protection and management of water, climate, air, land and waste. There is much that is ongoing, and much that has formed the basis for significant actions in the future. The department will continue its evolution, and continue to build on the foundations that have been laid.

For a brief moment though, we will take the time to celebrate our successes, and look back on our accomplishments, realizing that the work we do now will leave a better place for future generations.

Lorne Taylor

Lorne Taylor, Ph. D.
Minister
Alberta Environment

Alberta Environment is committed to...

our goal

Alberta contributes to climate change solutions while maintaining a prosperous economy.

taking action on climate change

Albertans & Climate Change: Taking Action The province released *Albertans & Climate Change: Taking Action*. This plan is relevant to Alberta and recognizes our unique socio-economic circumstances. It focuses on improving energy efficiency, enhancing how we use technology to control industry emissions, seeking out new environmentally friendly sources of energy, and better managing our emissions today and in the future. Based on wide-ranging consultations with Albertans on a draft plan released in May 2002, and previous work on a science-based climate change strategy developed through consultation, it will act as both a guide and a measuring stick for our actions in the future. www.gov.ab.ca/env/climate/actionplan/index.html

Climate Change and Emissions Management Act Bill 37, the proposed Climate Change and Emissions Management Act, was introduced in the provincial legislature. The Bill provides a legislative framework for how emissions offsets will be applied against Alberta regulatory requirements. It also provides for the establishment of a provincial climate change management fund to help sectors reduce emissions and invest in Alberta energy conservation, energy efficiency and technology. The Bill passed second reading in the Spring session.

Emissions Trading The department worked with industry stakeholders to establish the guiding principles for a provincial greenhouse gas repsorting program in Alberta through a major feasibility study on the potential for air emissions trading.

our goal

Albertans have a safe and sustainable supply of water.

Provincial Water Strategy A draft of *Water for Life: Alberta's Strategy for Sustainability*, the province's long-term plan to effectively manage the quantity and quality of Alberta's water resources, was released in March. The strategy outlines eight key directions, each supported by a series of strategies and specific actions, and both new initiatives and actions already underway or being enhanced, that will shape the future of water management and decision-making in Alberta. The final strategy will be released this fall. www.waterforlife.gov.ab.ca

Drinking Water The department created a new Drinking Water Branch, responsible for developing operator certification programs, providing Albertans with water quality information and ensuring public waterworks systems continue to supply safe drinking water.

managing our water resources

Ultra-Violet Irradiation Alberta became the first province to adopt ultra-violet irradiation as an acceptable technology for disinfecting drinking water, giving treatment facility operators one more option for providing Albertans with safe, secure drinking water.

Drought Mitigation Over 1,200 Temporary Diversion Licences were issued to farmers and other stakeholders in need during drought conditions. In addition, department staff conducted a groundwater monitoring program to help understand the effects of severe drought conditions.

North Red Deer Water Authorization Act With the North Red Deer Water Users Group, Alberta Environment completed the project review and public consultation that resulted in the *North Red Deer Water Authorization Act*. This special act of the Legislature allows several municipalities to obtain drinking water from the City of Red Deer and contributes significantly to the department's commitment to ensure safe and secure drinking water to Albertans.

our goal

Albertans see environmental efforts as a collaborative effort.

Flaring and Venting Project Team As part of the Clean Air Strategic Alliance, Alberta Environment worked on the ongoing plans to eliminate flaring and reduce fugitive emissions from the oil and gas sector. This will help companies in the oil and gas industry find economical and creative ways to recover solution gas instead of it being flared or vented. www.casahome.org

Household Hazardous Waste Household hazardous waste from 109 roundups in communities across Alberta was safely diverted to the Swan Hills Treatment Centre for proper disposal. Alberta Environment assists the communities with the transfer fees and transport of the hazardous wastes. The program diverted 50,000 litres more than in 2001-2002. www.gov.ab.ca/env/waste.html

building partnerships

Air Monitoring Vehicle A new emergency Air Monitoring Vehicle for the Calgary region, researched, designed and developed with the City of Calgary, was put into service. The Calgary Fire Department has already used the vehicle to monitor air quality at major incidents to protect the health and safety of emergency personnel, Calgarians and citizens in surrounding areas.

Joint Agreement for Water Infrastructure Alberta Environment will share responsibilities for the maintenance of provincially owned water management works and bridges, and the required rehabilitation of the Northern Alberta Erosion Control Program, with Alberta Transportation. This enables Alberta Environment to better maintain the provincially owned water management infrastructure in a sustainable manner.

our goal

Albertans are well informed about environmental issues.

Alberta River Basins Web Site Albertans now have online access to water levels, streamflow and precipitation data, flood advisories, water supply outlooks and weather forecaster's comments through the Alberta River Basins Web site. The site received over 180,000 hits last fall from people interested in the high streamflow and flood conditions in southern Alberta. www.gov.ab.ca/env/water/basins/basinform.cfm

Online Air Quality System Hourly air quality conditions in Edmonton, Calgary, Red Deer, Fort Saskatchewan and Beaverlodge are now available through Alberta Environment's Online Air Quality System. The site is an important source of air quality information for municipalities and regional health authorities. www.gov.ab.ca/env/air.html

providing timely information

Information Centre The Environment and Sustainable Resource Information Centre responded to over 4500 e-mails, handled over 53,000 telephone calls, served over 10,500 walk-in visitors and distributed almost 12,000 publications.

The Freedom of Information and Protection of Privacy Office (FOIP) Seven hundred and forty eight requests for information were received through the Freedom of Information and Protection of Privacy Office – up from 559 requests the previous year. In addition, the department's FOIP staff completed the largest FOIP request ever processed by the Alberta government. Over 200,000 pages of records on the Bennett Dam and hydroelectric development on the Peace River were reviewed and more than 19,200 records released this past year.

our goal

Albertans are inspired to take actions to safeguard the environment.

Special Weeks Special weeks such as Environment Week (June) and Waste Reduction Week (October) continue to educate Albertans about provincial, national and global environmental issues. Environmental education is an important tool to help Albertans understand the environmental issues that affect our province and encourage them to take action.

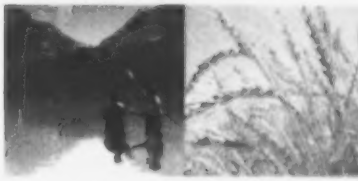
Energy Solutions Alberta Climate Change Central, a private-public partnership funded by Alberta Environment to coordinate and encourage actions to reduce greenhouse gas emissions, established Energy Solutions Alberta. This one-stop shop for information on energy conservation provides Albertans with information on how to take action on climate change. www.energysolutionsalta.com

educating albertans

Environmental Education Presentations More than 800 teachers and future teachers attended environmental education presentations delivered by Alberta Environment Education and Outreach staff at Alberta Teachers' Conventions and Professional Development Days, and at the University of Alberta. Information materials for teachers are also available on the Alberta Environment Web site.

our goal

Alberta is a leader in proactive environmental protection.



Operation CleanFarm Operation CleanFarm, a free pesticide disposal program for Alberta farmers, was launched in Northern Alberta and British Columbia and collected and safely disposed of almost 22 tonnes of pesticide. This program is made possible through the contributions of a number of other governments and agricultural organizations.

Operation Northwind Alberta Environment and City of Edmonton inspectors visited 120 businesses in northwest Edmonton and issued 42 notices and warnings for infractions such as improper storage of hazardous waste and hazardous recyclables as part of Operation Northwind. In addition, inspections to ensure the proper functioning of air emissions control equipment were conducted at several facilities.

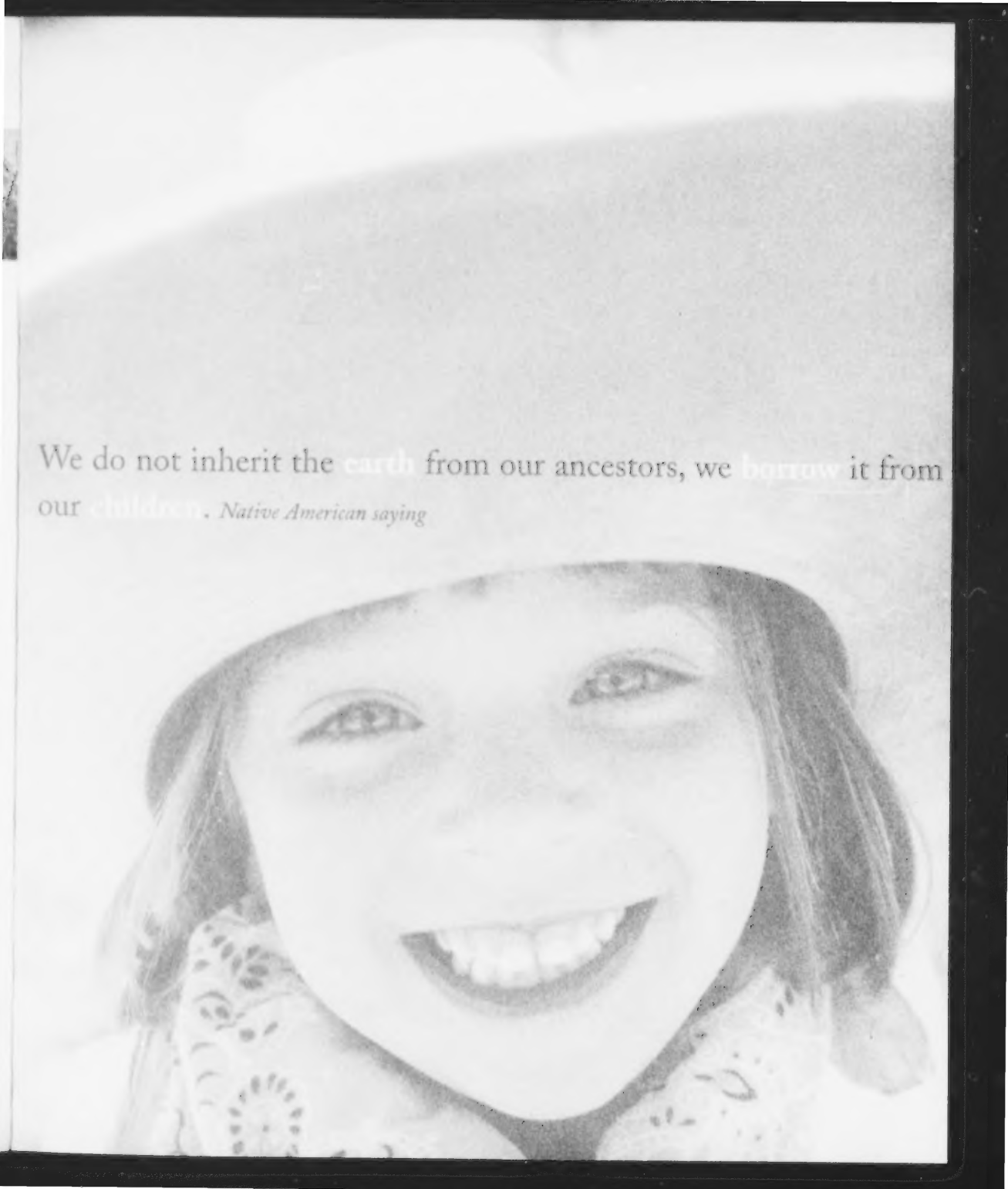
protecting the environment

Operation HazVac Approximately 170 vacuum trucks across the province were inspected to verify compliance with the Environmental Protection and Enhancement Act within the liquid waste hauling and disposal sector. This initiative had significant value as an educational opportunity. It helped achieve a higher level of understanding of regulatory obligations in the industry.

Operation Chinook As part of an environmental education and inspection program designed to educate businesses on the importance of proper storage and disposal of hazardous waste and recyclables, Alberta Environment inspectors visited 67 businesses in the Pincher Creek and Crowsnest Pass regions of southern Alberta. As a result, 22 companies were issued infraction notices.

Water Treatment Facilities Alberta Environment inspected 100 per cent of surface water source drinking water treatment facilities and 50 per cent of all groundwater source drinking water facilities in 2002-2003. The remaining 50 per cent of groundwater source drinking water facilities will be inspected in 2002-2003.

We do not inherit the earth from our ancestors, we borrow it from our children. *Native American saying*



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Alberta Environment

MINISTRY OF ENVIRONMENT

2002-2003 annual report

Alberta
ENVIRONMENT

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We do not inherit the earth
from our ancestors,
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from our children.

104-02413/

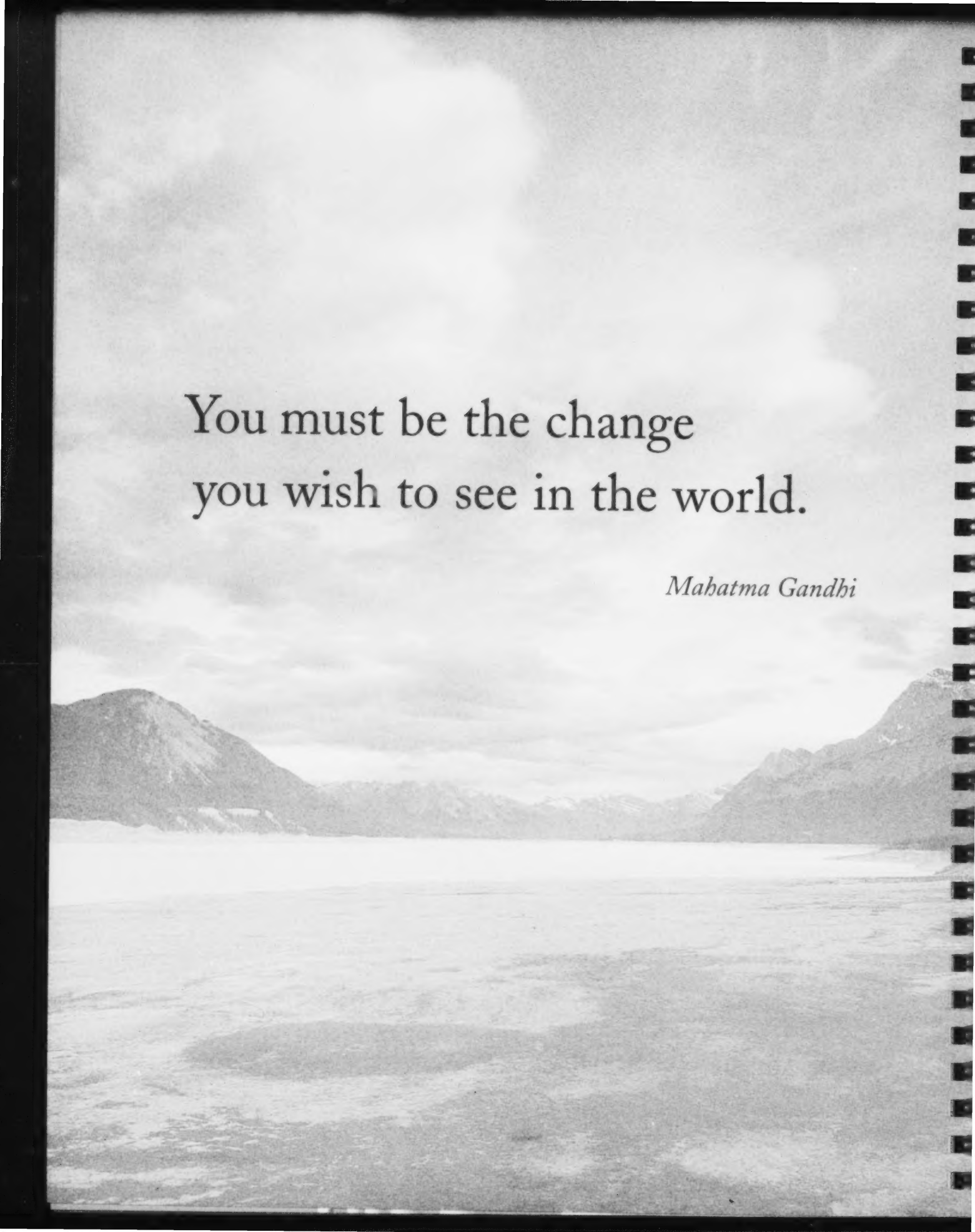
PREFACE

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 2003 contains the Minister of Finance's accountability statement, the consolidated financial statements of the province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

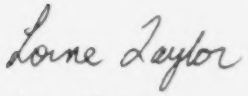
This annual report of the Ministry of Environment contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the business plan. This Ministry annual report also includes:

- The financial statements of entities making up the Ministry, including the Department of Environment, for which the Minister is responsible;
- Other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report;
- Financial information relating to trust funds.


You must be the change
you wish to see in the world.
Mahatma Gandhi

MINISTER'S ACCOUNTABILITY STATEMENT

The Ministry of Environment's annual report for the year ended March 31, 2003, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 11, 2003, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



Lorne Taylor
Minister of Environment

MESSAGE FROM THE MINISTER

The 2002-2003 year was a busy one for Alberta Environment. Ministry staff worked hard to sustain a high quality of life for Albertans through the protection and management of water, climate, air and land at the provincial, national and international levels.

Alberta Environment reinforced its leadership on the climate change issue as we released *Albertans & Climate Change: Taking Action*, the provincial strategy to reduce the province's greenhouse gas emissions, and introduced the *Climate Change and Emissions Management Act* into the Provincial Legislature. The Ministry also continued its work with stakeholders through Climate Change Central to influence and design leading-edge solutions to reduce greenhouse gas emissions.

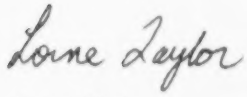
Water continues to be a priority for Albertans. The draft *Water for Life: Alberta's Strategy for Sustainability* was developed after an extensive public outreach and discussion, and a Minister's Forum on Water. An emphasis on water conservation is one of the key recommendations in the draft provincial water strategy. Other key recommendations include managing water quality and quantity issues regionally – or watershed by watershed – and ensuring communities and stakeholders are actively involved in local water management decisions. The final version of the *Water for Life* strategy will help guide Albertans in the management of our water resources for years to come.

The Alberta Environment Web site is also emerging as an effective administrative and educational tool. Albertans now have online access to air quality data, water levels, streamflow and precipitation data. In addition, Environmental Approval reporting will soon become simpler as approval holders will be able to electronically report the information required.

Many other initiatives were launched to improve the effectiveness of the Ministry's efforts. These include:

- The establishment of a new Drinking Water Quality Branch to ensure all Albertans receive high quality drinking water no matter where they are in the province;
- Partnerships with industries, stakeholders, governments and non-government organizations to strengthen environmental efforts by Albertans;
- A cross-ministry regulatory review to help Alberta achieve a more efficient, understandable regulatory system that effectively balances economic growth, sustainable development and environmental protection;
- An extensive review of the Department's approvals process in anticipation of the increase in approval renewal applications over the next several years.

I would like to thank all who have helped make the 2002-2003 fiscal year a successful one. Together, we have made huge strides towards better protecting the local, provincial, national and global environments. I look forward to building on these partnerships in the upcoming year.



Lorne Taylor
Minister of Environment

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The Ministry of Environment includes the Department of Environment and the Environmental Appeal Board.

The executives of the Ministry have the primary responsibility and accountability for their respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Environment. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control, which give consideration to costs, benefits, and risks that are designed to:

- Provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- Provide information to manage and report on performance;
- Safeguard the assets and properties of the Province under Ministry administration;
- Provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Environment any information needed to fulfill their responsibilities;
- Facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

Ron Hicks
Deputy Minister of Environment

OVERVIEW

INTRODUCTION

The Ministry business plan for 2002-2005 provided Alberta Environment with clear direction outlined in goals, strategies and key activities. Results for the 2002-2003 fiscal year demonstrate this Ministry proved to be an effective and performance-driven organization.

The Ministry of Environment is composed of the Department of Environment and the Environmental Appeal Board. In addition, three delegated administrative organizations – the Beverage Container Management Board, the Alberta Used Oil Management Association and the Tire Recycling Management Association of Alberta – report their operating results to the Minister.

In April 2002, the Department organized its business plan around five key strategic priorities:

- Air
- Water
- Climate Change
- Resource Planning
- Regulatory Systems

By listing these key strategic priorities in relation to the new core businesses of Leadership, Assurance, Stewardship (Partnerships and Education), Hazard and Risk Management, and Strategic Business Services, Albertans will be able to clearly see our current policy emphasis and the strategies we will employ to achieve our environmental outcomes.

Two key initiatives from this past year include *Albertans & Climate Change: Taking Action*, the provinces long-term solution to address the risks of climate change, and the release of a draft of *Water for Life: Alberta's Strategy for Sustainability*, the Government of Alberta's new long-term approach to water management.

Alberta Environment continues to align departmental goals with the Alberta government's goals as follows:

People

We continued to set standards and guidelines for air, land, soil and water quality. Monitoring and enforcing these standards with industry, municipalities and individuals contributes to the overall health and high quality of life for Albertans. In *Measuring Up 2003*, Goal 1: "Albertans will be healthy" references as part of good health, the contribution of a high quality environment.

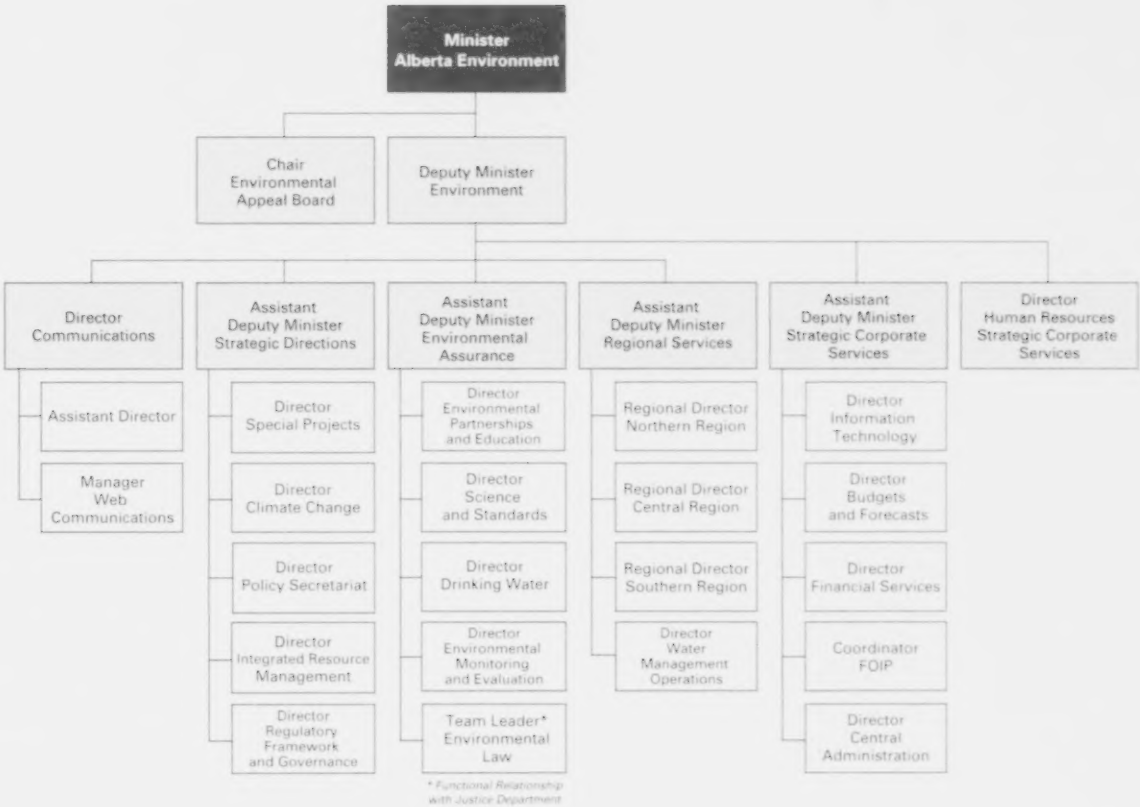
Prosperity

We continued to dedicate resources to the effective and responsible delivery of our core businesses. These core businesses are crucial to Alberta's long-term prosperity and economic well-being.

Preservation

We continued to balance our economic well-being with environmental preservation by supporting priority areas such as air, land, water, climate change, environmental assurance and regulatory systems, helping the province work towards the principle of sustainable development.

Organization Chart
March 31, 2003



Regional Services (RS)

Paul Pellis, Assistant Deputy Minister
Phone: (780) 427-1990

Regional Services provides front-line delivery of environmental services across the province through three regional teams and a provincial water management operations team. This structure enhances the ability to develop and manage the province's numerous programs, with support from the community. Operational responsibilities of the Northern, Central, and Southern regions include environmental approvals, environmental compliance and environmental management. Water Management Operations is responsible for the operation and maintenance of provincially owned water management infrastructure and the administration of the Canal and Dam Safety Regulations under the *Water Act* across all three regions in the province.

Environmental Assurance (EA)

Peter Watson, Assistant Deputy Minister
Phone: (780) 427-6247

Environmental Assurance leads the Ministry in developing standards, approaches to foster collaboration in environmental matters, and the validation and assurance of results. These include science-based standards and guidelines, environmental monitoring and reporting, public outreach, education and stakeholder partnerships.

Strategic Directions (SD)

John Donner, Assistant Deputy Minister
Phone: (780) 415-8183

Strategic Directions provides leadership to broad and long-term initiatives affecting the quality of the environment and sustainable development. Its role is to work with other provincial departments, stakeholders, and other governments to: ensure an effective regulatory framework; coordinate the Department's input to broad policy initiatives impacting the environment; lead in the development of the Department's three-year business plan; support the development of integrated resource management strategies; advance Alberta's climate change strategy; and work with stakeholders to establish a new air emissions management framework for the provincial electricity sector.

BOARDS

The Minister of Environment is responsible for the Environmental Appeal Board. This Board operates at arm's length from the Department, and reports directly to the Minister of Environment.

Environmental Appeal Board (EAB)

Dr. William Tilleman, Q.C., Chair
Phone: (780) 427-6207

The Environmental Appeal Board, consistent with the *Environmental Protection and Enhancement Act* and the *Water Act*, seeks to provide fair, impartial and efficient resolution of all matters before it. Its goal is to advance the protection, enhancement and wise use of Alberta's environment.

The EAB was established on September 1, 1993 under Alberta's *Environmental Protection and Enhancement Act*. The Board hears appeals based on the *Environmental Protection and Enhancement Act*, the *Water Act* and Schedule 5 of the *Government Organization Act*.

The EAB makes recommendations to the Minister of Environment on matters brought before it, with the Minister making the final decision. On matters relating to requests for confidentiality, stays, costs, administrative penalties, and certain matters relating to water works, the Board makes the final decisions. The EAB does not replace or eliminate the right of Albertans to seek judicial review in the courts consistent with common law practice.

HIGHLIGHTS

Water for Life: Alberta's Strategy for Sustainability

After extensive consultations, which included a public consultation and outreach process and a Minister's Forum on Water, a draft of *Water for Life: Alberta's Strategy for Sustainability* was released in March 2003, for further public discussion.

The strategy, to be finalized this fall, will be the province's long-term plan to effectively manage the quantity and quality of Alberta's water resources. It outlines eight key strategic directions, each supported by a series of strategies and specific actions, both new initiatives and actions already underway or being enhanced, that will shape the future of water management and decision-making in Alberta. A copy of the *Water for Life* strategy can be found at www.waterforlife.gov.ab.ca.

Albertans & Climate Change: Taking Action

In October 2002, Alberta Environment released *Albertans & Climate Change: Taking Action*, based on consultations with Albertans on a draft plan released in May 2002. The plan provides a comprehensive framework for aggressive actions to reduce the province's greenhouse gas emissions intensity, helping the economy to operate in a way that contributes to Alberta's environment and future prosperity.

Key aspects of the plan include setting greenhouse gas emissions intensity reduction targets and timelines; improving energy efficiency and conservation; supporting research and technology; encouraging partnerships between industry, government and non-government organizations; putting the government "house" in order; and adapting to climate change. This plan supports Alberta's commitment, as a province, to manage the risks of climate change.

Climate Change and Emissions Management Act

In November 2002, Bill 32 – the proposed *Climate Change and Emissions Management Act* – was released in draft form and introduced in Alberta legislature. The Act provides a legal framework to support the province's action plan on reducing greenhouse gas emissions while reinforcing Alberta's ownership of its natural resources.

Drinking Water

A new Drinking Water Branch was created within Alberta Environment to support Alberta's already strong commitment to assuring Albertans receive high quality drinking water. The branch is developing a comprehensive program to ensure public waterworks system continue to supply safe drinking water to Albertans. The branch is also responsible for the development and implementation of operator certification and training programs, and interpretation and dissemination of drinking water quality data submitted by the municipalities.

Drought Mitigation

Alberta Environment staff has been working with communities and other stakeholders to address issues associated with drought. In 2002, Regional Services staff issued over 1200 Temporary Diversion Licences to farmers and other stakeholders in need during drought conditions.

In addition, Water Monitoring staff in the Northern and Southern regions supervised the installation of 23 real-time drought-monitoring weather stations for Alberta Agriculture and conducted a groundwater monitoring program. The successful operation of the Paddle River, Coal Lake, Vermilion River and Dickson Dams also minimized the effects of the severe drought conditions on a wide range of users including recreational, agricultural, municipal and industrial.

St. Mary Spillway Rehabilitation Project

Operation of the St. Mary Spillway Rehabilitation Project commenced in the spring 2002. This structure is part of the Waterton – St. Mary Headworks System, which is vital in supplying water to five irrigation districts. This rehabilitation project replaced an aging structure and improved the discharge capacity to handle large floods in accordance with current Dam Safety Guidelines.

Joint Agreement with Alberta Transportation for Water Infrastructure

Alberta Environment and Alberta Transportation shared responsibilities for the rehabilitation and maintenance of provincially owned water management works and bridges, as well as the required rehabilitation of the Northern Alberta Erosion Control Program. This agreement enables the province to provide an enhanced capability to maintain the provincially owned water management infrastructure in a sustainable manner.

Online Air Quality System

Alberta Environment's Online Air Quality System became fully operational in June 2002. This system provides the public with up-to-the-hour air quality conditions in Edmonton, Calgary, Red Deer and Fort Saskatchewan, and has proven to be an important source of air quality information for municipalities and regional health authorities.

Alberta River Basin's Web site

Albertans now have online access to water levels, streamflow and precipitation data as Alberta Environment launched the Alberta River Basins Web site in May 2002. The Web site provides Alberta Environment with a method of distributing information such as flood advisories and warnings, water supply outlooks and the Weather Forecaster's Comments. The value of the Web site was seen immediately, as during the first full month of its operation, it received about 180,000 hits from Albertans concerned or interested in the high streamflow and flood conditions that existed in southern Alberta.

Regulatory Review

Alberta Environment, together with Alberta Energy, Alberta Sustainable Resource Development and the Energy and Utilities Board, participated in a cross-ministry review of the environment, energy and resource development framework used by the provincial government to develop and manage Alberta's natural resources. This key initiative will help Alberta achieve a more efficient, understandable regulatory system that effectively balances economic growth, sustainable development and environmental protection.

AWARDS

Premier's Award of Excellence, Silver Category

Presented by: Government of Alberta

The Premier's award recognized the success of the North American Waterfowl Management Plan Partnership. Alberta is a key partner in this initiative, which is working towards the goal of restoring continental waterfowl population levels to where there were during the 1970s. Numerous advisory groups and committees are working in priority waterfowl areas to protect and enhance wetlands and native uplands.

International Association of Business Communicators (IABC) Capital Award

IABC
Edmonton Chapter

Presented by: IABC

The Communications Division was recognized at the International Association of Business Communicators Awards Gala in June 2002. The team received the Award of Excellence, Communications and Marketing Programs for an employee recognition program and two merit awards for visual identity (logo) and the corporate video.

Emerald Award, Not-for-Profit Organization Category

Alberta Emerald Foundation

Presented by: The Alberta Emerald Foundation

The Alberta Dairy Council and Alberta Environment established the Plastic Milk Jug Recycling Program in July 1999. This program has been very successful in raising public awareness of the need to recycle milk containers. During the first two years of operation, the program diverted 2,491 tonnes of milk jugs from landfills.

RESULTS ANALYSIS

CORE BUSINESSES, GOALS AND KEY STRATEGIC PRIORITIES

Alberta Environment has five core businesses: Leadership, Assurance, Stewardship, Hazard and Risk Management, and Strategic Business Services.

Accompanying these goals are five key strategic priorities: Water, Air, Climate Change, Resource Planning and Regulatory Systems.

These businesses and strategic priorities support our vision and mission, as well as support the Alberta government's priorities of *People, Prosperity and Preservation*. They also set out the key responsibilities and competencies of the Ministry and provide a framework for achieving our goals.

The Ministry's key responsibilities are mandated through the *Environmental Protection and Enhancement Act* and the *Water Act*.

Core Business 1: Environmental Leadership

Goal 1
Alberta Environment is a leader in proactive environmental protection.

Core Business 2: Environmental Assurance

Goal 2
Sound environmental rules and regulations are in place and enforced.

Core Business 3: Environmental Stewardship

Goal 3
Environmental protection is practiced as a collaborative effort through partnerships.

Goal 4
Improve environmental public education and communication.

Core Business 4: Hazard and Risk Management

Goal 5
Alberta Environment ensures quick and competent responses to emergencies.

Core Business 5: Strategic Business Services

Goal 6
Improve the Ministry's ability to achieve planned outcomes.

Table 1
Ministry Expense by Core Business

unaudited
(in thousands)

	2003		2002
	Budget	Actual	Actual
CORE BUSINESS			
Environmental Leadership	$ 9,988	$ 13,350	$ 25,880
Environmental Assurance	72,944	66,541	70,019
Environmental Stewardship	12,608	15,597	15,335
Hazard and Risk Management	9,383	5,914	6,923
Strategic Business Services	5,518	6,486	6,225
Total Ministry Expense	110,441	107,888	124,382

SUMMARY OF KEY ACTIVITIES IN THE PAST YEAR

Environmental Leadership

Leading by building innovative, proactive relationships with all Albertans that produce real change to ensure environmental quality for present and future generations.

In 2002-2003, the Ministry spent $13.4 million on the Environmental Leadership core business, $3.4 million higher than the budget of $10.0 million. This increase was due to the acceleration of the Ministry plan to be a leader in proactive environmental protection, focusing on activities that encourage environmentally responsible behaviour and decisions. In addition to the *Water for Life* strategy and *Albertans & Climate Change: Taking Action*:

- Alberta Environment completed Phase One of the South Saskatchewan River Basin Water Management Plan. This plan focuses on activating the water transfer provisions of the *Water Act*, identifying allocation concerns for Phase Two work and implementing a streamlined approach to transferring water allocations between licences.
- Alberta Environment was the first province to adopt ultra-violet irradiation as an acceptable technology for disinfecting drinking water, giving water treatment operators one more option for providing Albertans with safe, secure drinking water.
- The Alberta government announced it will purchase 90 per cent of its power from renewable sources by 2005. As part of our climate change commitment, Alberta Environment, partnering with Alberta Infrastructure, installed a solar power system at the Legislature Building.
- The Alberta government partnered with industrial and environmental organizations through the Clean Air Strategic Alliance (CASA) to recommend a new air emissions management framework for the Alberta electricity sector. Public consultations are being held to identify potential management options. The completed recommendations from CASA are expected to be presented to the Alberta government by fall 2003.
- A major feasibility study was completed on the potential for air emissions trading in Alberta. Findings indicate that Alberta-based emissions trading is technically feasible, and multi-sector trading is needed for a competitive market. Stakeholders were extensively involved, and their input was received at several stages of the project. This study supports the work of the CASA and the Department's examination of potential economic instruments for environmental management in Alberta.
- Alberta was represented at the 8th Conference of the Parties (COP 8) in fall 2002, as it has been at nearly all of the United Nations climate change "COP" meetings since their inception in 1995. Alberta continues to be a leader in managing the risks of climate change.
- Environment Minister Lorne Taylor attended the United Nations World Summit on Sustainable Development in Johannesburg. The Summit addressed sustainable development issues, including poverty, environmental and resource management, health, globalization, governance and international funding for sustainability.

Environmental Assurance

Doing the work that assures Albertans that the environment is managed in a safe and sustainable manner.

In delivering the Environmental Assurance core business, the Ministry spent $66.5 million, $6.4 million lower than the budget of $72.9 million. This decrease was primarily due to funding reallocation from Environmental Assurance to Environmental Leadership and Environmental Stewardship, in order to meet the Ministry's strategic priorities.

- In 2002-2003, the Department shifted its focus from an emphasis on direct service delivery to a more proactive and strategic approach based on shared responsibility with other Alberta government departments, communities, industries and the public.
- The Central Region worked with the North Red Deer Water Users Group to complete the project review and public consultation that resulted in the *North Red Deer Water Authorization Act*. This Special Act of the Legislature allows licensing to take place, enabling the municipalities of Blackfalds, Lacombe, Ponoka and the First Nations at Hobbema to obtain drinking water from the City of Red Deer. This project contributes significantly to the Department's commitment to ensure safe and secure drinking water for all Albertans.
- Alberta Environment reviewed the standards and guidelines for drinking water, and for the design and operation of waterworks systems. The review ensures that the standards and guidelines remain effective and reflect the advancements in water treatment technologies.
- The Department inspected 100 per cent of surface water source drinking water treatment facilities and 50 per cent of all groundwater source drinking water facilities in 2002-2003.
- The EPCOR Remote Monitoring Project, a three-year pilot project, was initiated with EPCOR to remotely operate and monitor potable water treatment facilities in seven communities located in the Northern Region. The regional management approach of this pilot may provide solutions to non-compliance problems experienced with small potable water facilities and may attract other interested partners into potable water service areas. Alberta Environment continues to explore new concepts to assist smaller communities improve the performance of their water treatment facilities.
- Using existing pumping infrastructure, Alberta Environment undertook a water pumping program into Gull and Buffalo Lakes in 2002 as part of ongoing water stabilization and management projects on these water bodies. The stabilization of these lakes provides benefits to recreational, agricultural and municipal users. In addition, at the request of several local landowners, Alberta Environment allowed a second backflood irrigation to occur at the Buffalo Lake Water Management Project. Approximately 1500 acres of land benefited from the second backflood.
- Inspectors from Alberta Environment and the City of Edmonton visited 120 businesses in northwest Edmonton and issued 42 notices and warnings for infractions such as improper storage of hazardous waste and hazardous recyclables as part of Operation Northwind. In addition, inspections were conducted at several facilities to ensure air emission control equipment was functioning properly.

- An Approvals Review Team launched an extensive review of the Department's current *Environmental Protection and Enhancement Act* and *Water Act* approval processes in anticipation of the increase in approval renewal applications over the next several years. The focus will be to move from requiring an approval to requiring registration under a *Code of Practice* for activities that have a minimal potential impact on the environment. Reducing the number of routine approval activities allows Alberta Environment to focus its efforts on more complex approval activities with the potential for greater environmental impact.
- Operation HazVac, a proactive compliance and education initiative to verify compliance with the *Environmental Protection and Enhancement Act* within the liquid waste hauling and disposal industrial sector, was conducted by Alberta Environment in 2002. Approximately 170 vacuum trucks were inspected across the province. Contact with this industrial sector continues, and the value of this initiative as an educational opportunity had significant results in achieving a higher level of industry understanding of regulatory obligations.
- Operation Chinook, the first environmental education and inspection program focused on businesses in rural Alberta, inspected approximately 67 businesses in the Pincher Creek and Crowsnest Pass regions of southern Alberta, resulting in infraction notices being issued to 22 companies. This program was designed to educate businesses on the importance of proper storage and disposal of hazardous waste and recyclables.
- Alberta Environment conducted inspections at Class II Landfills to determine if oilfield wastes were being accepted at these landfills. All the Class II Landfills inspected were found to be in compliance with their approvals. The program resulted in the creation of a detailed questionnaire about waste receiving, handling and disposal practices, documentation, and items related to the due diligence of the operators, and will form the basis for future compliance assurance activities within this industrial sector.
- Alberta Environment held public stakeholder meetings with landowners, industry, and consulting and government bodies to obtain input and direction on the proposed program changes to upstream oil and gas handlings. In addition, the Department established a contract with the Alberta Research Council to draft new reclamation criteria for upstream oil and gas operations.

Environmental Stewardship

Generating awareness and understanding that encourages environmentally responsible behaviour and stewardship by all Albertans.

The Ministry spent $15.6 million on the Environmental Stewardship core business, $3.0 million higher than the budget of $12.6 million. The Ministry received an additional of $2.0 million to accelerate grant payments to local authorities under the Alberta Waste Management Assistance Program. Additional funding of $1.0 million was reallocated from Environmental Assurance to Environmental Stewardship. This funding reallocation allowed the Ministry to focus on more activities in environmental public education and communication.

- The Ministry is involved in the Northern Rivers Ecosystem Initiative (NREI), which is a cooperative, five-year endeavor by three governments (Canada, Alberta and Northwest Territories) to address recommendations of the Northern Rivers Basin Study. This initiative started in 1998 with the official closing on March 31, 2003. Actions of the NREI include both policy initiatives and scientific research to improve long-term protection and management of the northern river systems.
- Alberta Environment teamed with industries and other governments to launch Operation CleanFarm, a collection program for unwanted or unusable pesticide products. Phase One targeted the Peace River region of Alberta and British Columbia. The program was a success, as almost 22 tonnes of product were collected. Phase Two will be launched in fall 2003, targeting central Alberta.
- Alberta Environment's Water Web site improved significantly as many new features, such as the Water Supply Outlook, precipitation maps, real-time streamflows and a Frequently Asked Questions section, were added. The new sites provide Albertans with timely information on water-related topics in their areas.
- Alberta Environment supported the Clean Air Strategic Alliance (CASA) in the ongoing plans to eliminate flaring and reducing fugitive emissions. The Energy and Utilities Board continued to monitor the reduction progress, and the CASA Flaring and Venting Project Team gathered more economic information towards the goal of totally eliminating flaring and venting from the oil and gas sector.
- Monitoring continued at 22 provincial Long-Term River Network sites, which form the basis for Alberta's Surface Water Quality Index. In addition, numerous other river and lake locations were monitored, many in co-operation with partners. Approximately 2000 samples were collected and analyzed.
- The Peace Air Shed Zone Association initiated an extensive air monitoring program in September 2002 and is actively working to establishing a continuous monitoring site in the City of Grande Prairie. The passive monitoring data is available on the Association's Web site at www.pasza.ca.
- In 2002, the Alberta government launched a national information and awareness campaign on climate change and the potential impacts of ratification of the Kyoto Protocol. This campaign included television, radio and print advertising, and publications such as *Why Alberta Opposes the Kyoto Protocol*, as well as educational materials on energy efficiency and greenhouse gas emissions reduction tips. By the end of the campaign, Albertans had a strong appreciation for the province's approach to managing the risks of climate change. Alberta's efforts were instrumental in shifting the federal government's approach on climate change.

- Alberta Environment, in partnership with Climate Change Central, developed policies, programs, and activities that reduce greenhouse gas emissions intensity through technological innovation, public outreach, and education. In 2002-2003, Energy Solutions Alberta, a one-stop-shop for information on energy conservation, was established to provide Albertans with information on how to take action on climate change. Their Web site can be found at www.energysolutionsalta.com.
- Alberta Environment partnered with communities across Alberta to divert household hazardous waste from the solid waste stream disposed in landfills. The 2002-2003 Household Hazardous Waste Program removed 1,162,325 litres of waste and 139,156 aerosol cans, collected at 109 municipal household hazardous waste roundups and depots and ensured safe destruction of this waste at the Swan Hills Hazardous Waste Treatment Centre. The volume of waste diverted from landfills increased by approximately 50,000 litres from 2001 to 2002.
- Approximately 1,000,000 empty pesticide containers were collected and disposed of under the Alberta Pesticide Container Collection Program, a partnership between the Alberta government and other relevant organizations.
- Alberta Environment staff delivered environmental education presentations at several Alberta Teachers' Conventions and Professional Development Days, and to student teachers at the University of Alberta. More than 800 teachers and future teachers attended these presentations.

Hazard and Risk Management

Ensuring public notification and response systems are in place to provide prompt and effective responses to environmental emergencies.

For the Hazard and Risk Management core business, the Ministry spent $5.9 million, $3.5 million under the budget of $9.4 million. This under expenditure was primarily due to the deferral of reclamation at the Smoky River Coal mine site to 2003-2004.

- Alberta Environment, in partnership with the Cumulative Environmental Management Association (CEMA), continues to address the environmental issues outlined in the Regional Sustainable Development Strategy. The CEMA approved the Trace Metals and Air Contaminants recommendations, which consisted of a proposed adaptive management approach for trace metals and a management system. Alberta Environment will take the lead on implementing management tools through the *Environmental Protection and Enhancement Act* approvals process to manage trace metals in the region.
- During the heavy rainfall event in southern Alberta in June 2002, water treatment and wastewater collection systems were overwhelmed by high water flows. The Lethbridge District staff responded to incidents where municipalities experienced difficulty with extreme runoff carrying heavy sediment loads. Technical assistance was provided to assist Regional Health Authorities in the issuance of 20 Boil Water Advisories. Water Management Operations staff reduced the impact of the flood event to areas adjacent to rivers downstream from major dams such as the Oldman River, the Waterton River and the St. Mary River. Management of this significant flood event resulted in no loss of service to consumptive users.
- A Provincial Climate Change Adaptation Strategy was completed in 2002. This strategy includes initiatives to undertake research projects and develop adaptation scenarios. The government continues its involvement in this area by supporting partnerships such as the Prairie Adaptation Research Collaboration and the Water Institute for Semi-Arid Ecosystems.
- In August 2002, Alberta Environment led a cooperative effort with Alberta Sustainable Resource Development, several Regional Health Authorities and the media to educate the public about algae blooms, which are a natural occurrence in Alberta lakes. The public was informed about the health hazards that may be associated with the algae and precautionary measures that should be taken to minimize any potential risks to humans, livestock and pets.
- A partnership with the City of Calgary resulted in the acquisition, retrofit and operation of the Emergency Air Monitoring Vehicle for the Calgary region. Similar agreements were also reached with the City of Edmonton and the County of Strathcona, and a framework for cooperative emergency responses has been completed. It is expected that the vehicles will be operational in 2003-2004.
- During 2002-2003, the Emergency Response Centre (ERC) received 13,360 calls – an increase of approximately five per cent from last year. Calls include public complaints, industry non-compliance reporting and notifications or referrals from other regulatory agencies. All calls have been followed-up by investigators. In most cases, public complaints to the ERC are actioned within one hour.

- As part of its responsibility towards ensuring a rapid and coordinated response to environmental emergencies, the compliance teams conducted emergency response plan testing in using disaster scenarios. The results of the emergency response plan testing will lead to improved communication processes within the Government of Alberta's emergency response plans.
- Alberta Environment is working with stakeholders from the Alberta Agriculture Drought Monitoring Network and Irrigation Branch to set up, capture and disseminate telemetry data in real-time to support water management operation in both departments. Twenty satellite data collection stations have been implemented for the DroughtNet program, and six stations have been implemented for the Irrigation Water-Monitoring Program.
- The Ministry of Environment and Sustainable Resource Development's Information Centre provided the following services to a total of 25,454 members of the public, both within and outside Alberta, during 2002-2003. The Department:
  - responded to 4,668 e-mail requests on Ministry programs,
  - handled 53,269 telephone calls,
  - served 10,565 walk-in visitors, and
  - distributed 11,913 Ministry publications.

Strategic Business Services

Alberta Environment ensures its capacity and ability to carry out its mandate through strategic services provided by human resources, finance, information technology, legal, the Freedom of Information and Protection of Privacy (FOIP) and central administration.

In supporting the Ministry to achieve its goals, $6.5 million was allocated to the Strategic Business Services, showing an over expenditure of $1.0 million for achievement bonus.

- The FOIP Office received 748 access requests for information from Alberta Environment in the 2002-2003 fiscal year. This compares with 559 requests form the previous year.
- The Incident Reporting system was developed, enabling environmental incidents to be reported via the Web. This system will streamline the reporting process and greatly reduce the amount of telephone and paperwork necessary by both the reporters and receivers of the incidents. Legislation and implementation is expected in 2003-2004.
- Human Resource Services facilitated the organizational restructuring of Alberta Environment to support the Ministry's core businesses and priorities as outlined in its business plan. Employees were offered opportunities to enhance their knowledge and skills through participation in learning initiatives such as team charters, change management seminars and cross-divisional learning teams.
- The Ministry has successfully completed, exercised and partially validated its Business Resumption Plan as part of an initiative to ensure cross-government emergency preparedness in the Alberta government. This plan has identified the Ministry's essential programs and services, and the resources required to restore them in an effective manner should an emergency or disaster affect normal operations.
- Electronic workspaces using Microsoft SharePoint technology were developed for the Policy Secretariat to enhance collaborative efforts and reduce electronic file redundancy on team projects. An electronic Web portal, which brings together a variety of collaborative tools for easier access and integration, is being piloted with the objective of enhancing information sharing capabilities across the Ministry.
- Staff participated in the Department's Office Ecology Program. The Office Ecology program promotes environmentally safe practices such as recycling and minimizing office waste. It is an opportunity to practice and show leadership in sound environmental principles within the operations of Alberta Environment.

AUDITOR GENERAL
Alberta

REPORT OF THE AUDITOR GENERAL ON THE RESULTS OF APPLYING SPECIFIED AUDITING PROCEDURES TO PERFORMANCE MEASURES

To the Members of the Legislative Assembly

In connection with the Ministry of Environment's performance measures included in the *2002-2003 Annual Report of the Ministry of Environment*, I have:

1. Agreed information from an external organization to reports from the organization.
2. Agreed information from reports that originated within the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.
3. Checked that the presentation of results is consistent with the stated methodology.
4. Checked that the results presented are comparable to stated targets, and information presented in prior years.
5. Checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2002.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the performance measures included in the *2002-2003 Annual Report of the Ministry of Environment*.

Fred J. Dunn

FCA
Auditor General

Edmonton, Alberta
August 1, 2003

MINISTRY PERFORMANCE MEASURES

Environmental and Behavioural Indicators measure key aspects of Alberta's environment and Albertans' interaction with that environment. These measures reflect the influence that our partnerships, skills and competencies have in achieving important environmental outcomes. Within Alberta Environment, internal management measures generally focus on our efficiency as an organization.

In the 2002-2005 Business Plan, the following Environmental and Behavioural Indicators were identified:

- Air Quality Index
- Surface Water Quality Index
- Drinking Water Quality Indicator
- Reduction of Municipal Solid Waste to Landfills
- Pulp Production Versus Amount of Biochemical Oxygen Demand Discharged
- Government of Alberta Greenhouse Gas Emission Profile
- Alberta Organizations Energy Productivity Improvements

These seven indicators and measures reflect Alberta Environment's mandate. Several are also included as Government of Alberta performance measures in the report *Measuring Up 2003*.

Alberta Environment continues to improve its measurement system and is committed to providing this information in easily accessible formats, including on its Web site at www.gov.ab.ca/env.

AIR QUALITY INDEX

(SUPPORTS GOVERNMENT GOALS 1 AND 17)

Data

The Air Quality Index is a measure of outdoor concentrations of five major air pollutants (carbon monoxide, dust and smoke, nitrogen dioxide, ozone and sulphur dioxide) monitored at nine stations (three in both Edmonton and Calgary and one station in each of Red Deer, Fort Saskatchewan and Fort McMurray) across the province.

A key environmental concern of Albertans is the quality of the air we breathe. Ensuring the protection of Alberta's clean air is paramount to maintaining our health and quality of life. Poor air quality may also have negative effects on crop quality and production. The Air Quality Index provides an indication of the quality of air in Alberta throughout the year. Air quality is influenced by a number of factors including vehicle emissions, weather patterns and intensity of industrial development.

Target

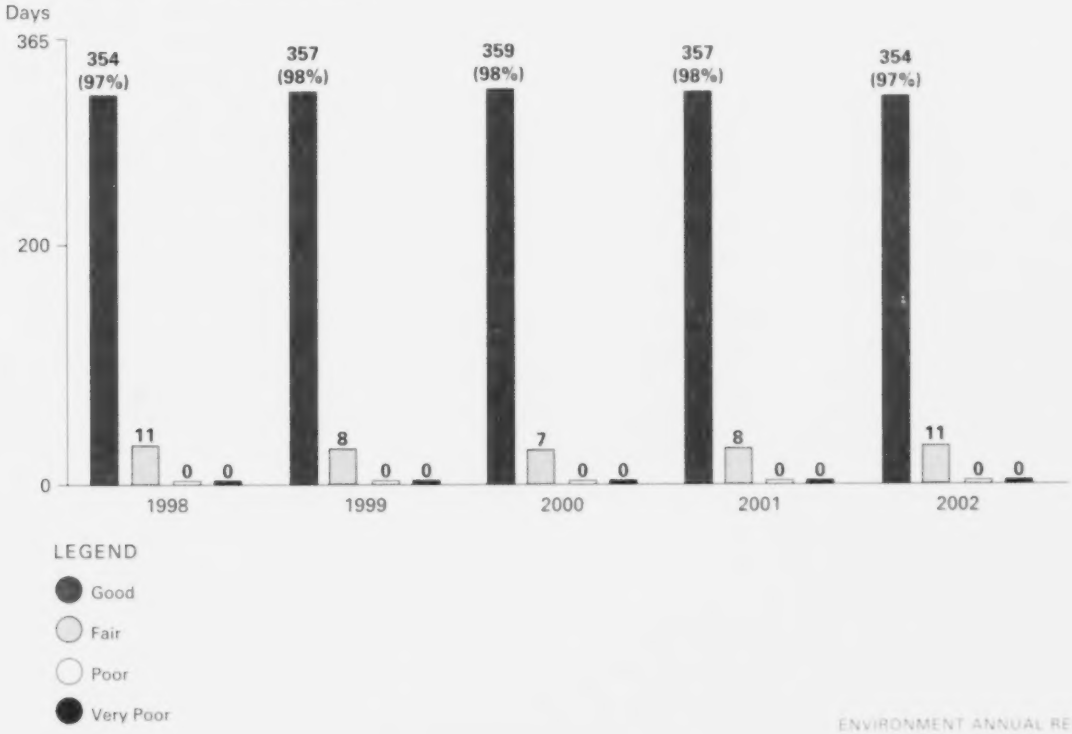
Maintain "good" air quality days equal to or greater than 97 per cent of the time, with no "poor" days.

Results

Figure 1 shows the number of air quality days in each category on an annual basis. In 2002, the target was achieved.

Note: There were no "poor" or "very poor" days between 1998-2002. Bars have been included for presentation purposes.

Figure 1 – Air Quality Days



SURFACE WATER QUALITY INDEX

(SUPPORTS GOVERNMENT GOALS 1, 7, 10 AND 17)

Data

The Surface Water Quality Index is used to evaluate water in Alberta's major river systems, with respect to four groups of water quality variables: metals, bacteria, nutrients and pesticides. Results from these four groups are combined to provide an indication of overall water quality. River water quality is collected because the effects of human activities are generally more evident in rivers than in lakes. The index can be used to show relative differences in water quality between rivers, between sites on the same river (e.g. upstream and downstream from cities) and over time. Such differences highlight degradation or improvement that has a human cause.

Data for the Surface Water Quality Index are collected monthly at a number of locations throughout the province. These stations make up the provincial Long-Term River Network. Stations upstream and downstream from agricultural, industrial, or municipal areas are compared to examine the overall impact of these developments on river water quality. Index values for a sub-set of these stations from the province's six major river systems show changes in water quality that have occurred over the past six years (Figure 2).

Target

Bring river water quality downstream of developed areas in line with upstream conditions, while maintaining overall river quality.

Results

In 2001-2002, the quality of Alberta's major rivers was "excellent" to "fair". However, water quality tends to be poorer downstream of areas with significant urban, industrial, or agricultural development.

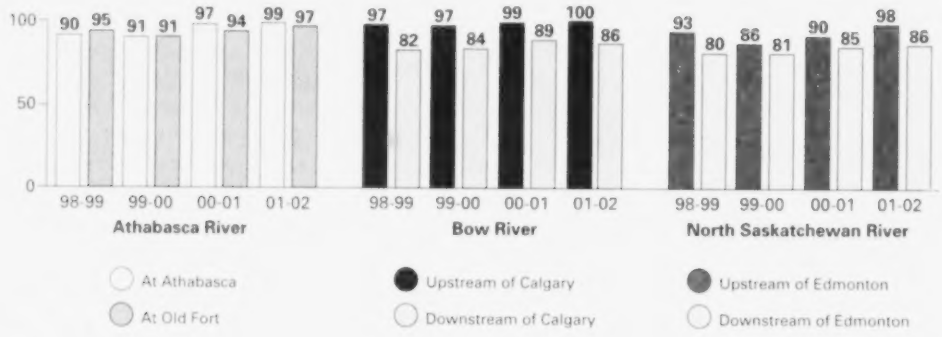
A number of natural and human factors can influence index values: river flow volume, temperature, the degree of development along rivers, non-point sources of runoff (such as agricultural fields) and point sources of effluent that discharge into rivers. For example, during spring runoff, concentrations of nutrients and metals may exceed guideline values, even in "natural" areas, simply because they are present in soils that are washed into river waters.

Significant improvements have been made to water quality below major developments as a result of improved point source control. Improvements to municipal wastewater treatment systems are reflected by improved index values downstream of some of Alberta's major cities. One such recent improvement is shown downstream of Edmonton (Figure 2). In some cases, the 2001-2002 Surface Water Quality Index results for both upstream and downstream sites are better than those for previous years. These improved scores can be explained in part by the dry conditions experienced in 2001-2002. Less rain and snowmelt resulted in less surface runoff and hence, less movement of contaminants from the land to rivers.

SURFACE WATER QUALITY INDEX
MONITORING STATIONS MAP

1 Athabasca River at Athabasca
2 Athabasca River at Old Fort
3 Bow River Downstream of Calgary
4 Bow River Upstream of Calgary
5 North Saskatchewan River Downstream of Edmonton
6 North Saskatchewan River Upstream of Edmonton
7 Oldman River Downstream of Lethbridge
8 Oldman River Upstream of Lethbridge
9 Peace River at Fort Vermilion
10 Red Deer River Downstream of Red Deer
11 Red Deer River Upstream of Red Deer
12 Smoky River at Watino

Figure 2 – Alberta Surface Water Quality Index



Athabasca River

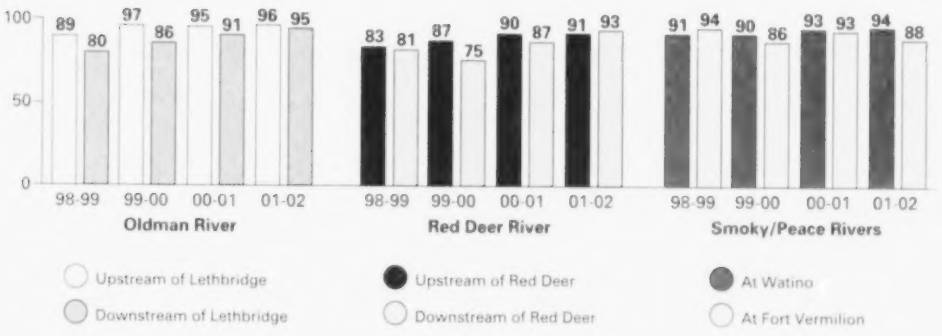
Index values have improved slightly at Athabasca and Old Fort, perhaps reflecting decreased runoff and lower suspended solids concentrations associated with drier conditions.

Bow River

A slight decrease in downstream quality is largely due to higher nutrient values relative to the previous reporting period (2000-2001).

North Saskatchewan River

Upstream improvement in water quality is likely due to lower runoff conditions that can reduce the transport of measured variables into the river water.



Oldman River

Water quality is slightly better upstream of Lethbridge. However, pesticide detections and concentrations remain higher at the downstream site.

Red Deer River

Since the upgrading of wastewater treatment (1999-2000) the downstream conditions have generally improved.

Smoky/Peace River

Nutrients and metals variables occasionally do not meet guidelines. Water quality has declined slightly at Fort Vermilion primarily due to high spring nutrient concentrations associated with high suspended solids concentrations.

Categories for Index

96-100 Almost always met (Excellent)

81-95 Occasionally not met, but usually by small amounts (Good)

66-80 Sometimes not met by moderate amounts (Fair)

46-65 Often not met, sometimes by large amounts (Marginal)

0-45 Almost always not met by large amounts (Poor)

Index based on the results of testing water quality for four variable groups compared to water quality guidelines.

DRINKING WATER QUALITY INDICATOR

(SUPPORTS GOVERNMENT GOALS 1, 7, 10 AND 17)

Data

This newly developed measure, comprised of four separate sub-measures, provides an indicator of the performance of facilities in delivering safe drinking water and demonstrates continuous improvement of facilities and their operation. The four sub-measures relate to Alberta's "multi-barrier" approach to assuring safe drinking water and measure some of the key elements of the "multi-barrier" approach. In a "multi-barrier" system, each barrier contributes to the desired goal, but a weakness in one barrier will not result in failure to achieve the goal. The four sub-measures are:

Facility Design Standards
Number of approved facilities and number of facilities meeting current standards.

Administrative Non-Compliance
A count of the number of major and minor administrative non-compliance incidents identified during facility inspections throughout the year, reported as an average per inspection.

Qualitative Non-Compliance
A count of the number of reported non-compliance incidents related to the quality of water – based on the Guidelines for Canadian Drinking Water Quality and Alberta's more stringent requirements regarding levels of treatment.

Incidents of Illness
Number of reported gastrointestinal illnesses attributed to consumption of unsatisfactory drinking water.

Baseline data will be used to establish the target in future years. Reporting is expected to begin in the 2003-2004 fiscal year.

REDUCTION OF MUNICIPAL SOLID WASTE TO LANDFILLS

(SUPPORTS GOVERNMENT GOALS 1 AND 17)

Data

The Alberta government provides technical and financial assistance to municipalities for waste management and recycling infrastructure, as well as training, education and general awareness about waste management options and opportunities. Industry stewardship programs have been developed for used oil materials, tires and beverage containers. With a prosperous economy, the pressures on landfills will continue to grow.

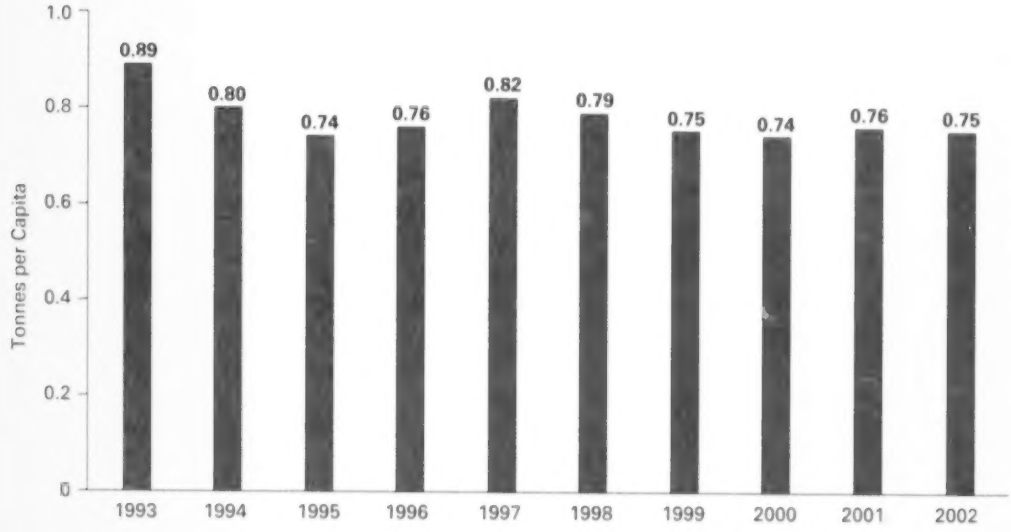
Target

Reduce municipal solid waste disposal to landfills to 0.5 tonnes per capita by 2010.

Results

Figure 3 shows the amount of municipal solid waste going to landfills each year, measured in tonnes per capita. The amount of solid waste going to landfills in 2002 declined slightly from 2001.

Figure 3 – Municipal Solid Waste to Landfills



PULP PRODUCTION VERSUS AMOUNT OF BIOCHEMICAL OXYGEN DEMAND DISCHARGED

(SUPPORTS GOVERNMENT GOALS 1 AND 17)

Data

This measure is one indicator of Alberta Environment's performance in protecting aquatic ecosystems and shows continuous improvement by industry.

Oxygen is required in the biochemical breakdown of organic matter in pulp mill wastewater. This breakdown may decrease the amount of oxygen available to aquatic organisms. An excess amount of these substances could cause a shortage of oxygen available to keep aquatic ecosystems healthy. To help control the amount of substance released into aquatic ecosystems, pulp mills are issued approvals, which restrict the amount of organic matter (measured as biochemical oxygen demand (BOD)) that can be released into river water.

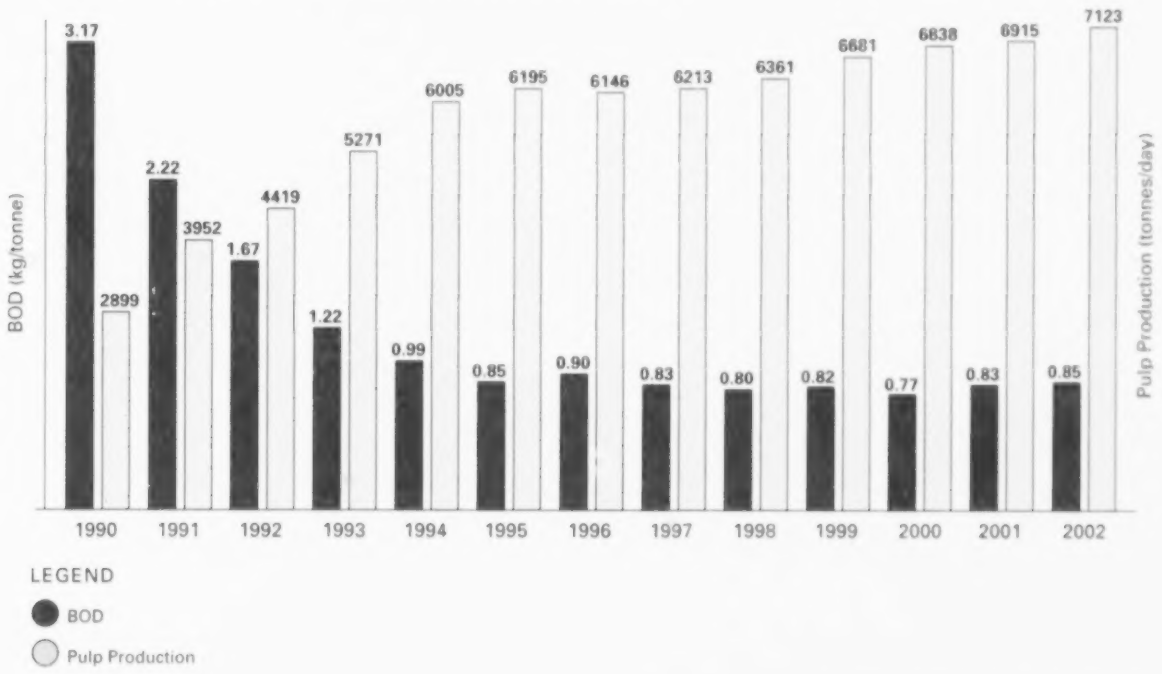
Target

Biochemical oxygen demand discharged does not exceed 1.0 kilograms/air-dried tonne of pulp.

Results

Figure 4 demonstrates the continuous improvement of pulp mills in reducing the amount of organic matter in wastewater generated from the production of pulp, throughout a time of increasing production. Historical data confirms the amount of BOD released per tonne of pulp has dropped substantially over the past 11 years. Alberta's current regulatory standard for BOD levels ranges from 1.5 to 3.0 kilograms/air-dried tonne of pulp. The performance measure shows industry success in achieving reductions greater than target levels.

Figure 4 – Pulp Production Versus Amount of Discharge



GOVERNMENT OF ALBERTA
GREENHOUSE GAS EMISSION PROFILE

(SUPPORTS GOVERNMENT GOALS 7, 16 AND 17)

Data

The Government of Alberta demonstrates leadership in improving energy use through its actions to reduce greenhouse gas (GHG) emissions from government operations. The measure aims to provide activities that improve the energy efficiency of Alberta government operations through energy retrofits of government buildings, improved operation of government vehicles, reduction in government waste and productivity targets for departments.

Only emissions from "core" government activities are included in this measure (i.e. activities by Ministries). Further, buildings that are leased by the Government of Alberta are not tracked under this measure (due to data access issues, limited ability to invest in emission reduction activities, etc.).

Target

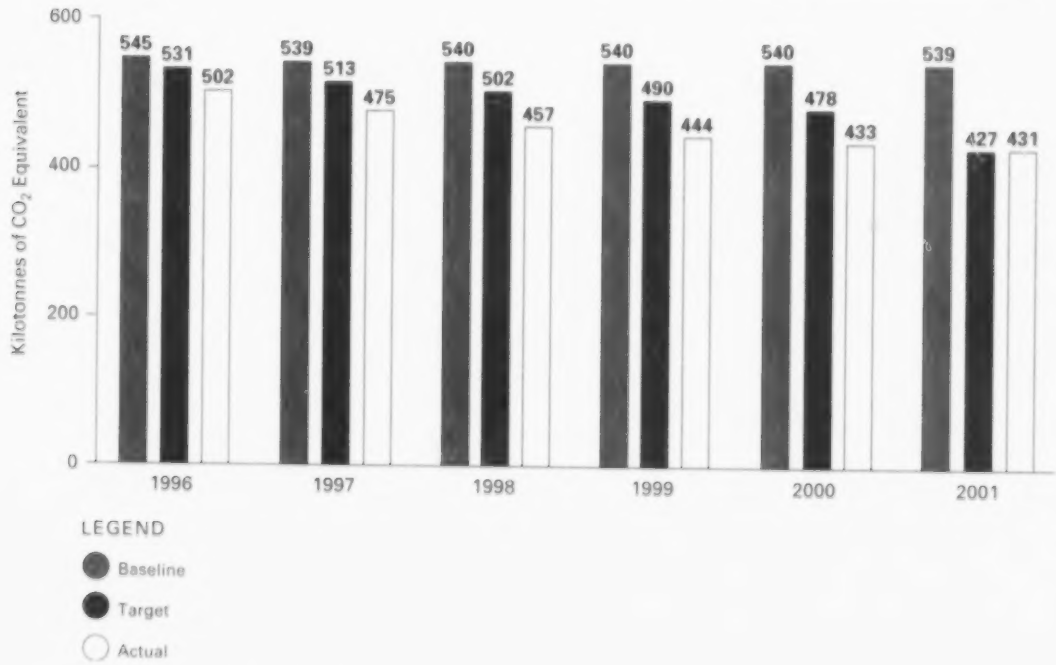
Reduce GHG emissions 26 percent below 1990 levels by the year 2005. In 1990, emissions were 549 kilotonnes of CO_2 equivalent.

Results

The Alberta government continues to reduce its overall emissions. In the 2001-2002 fiscal year, emissions of CO_2 equivalent were 431 kilotonnes, or 22 percent, below 1990 levels (Figure 5).

Note: Results for 2002 will be reported in 2004.

Figure 5 – Alberta Government Baseline, Targets and Actual Figures for Greenhouse Gas Emissions



ALBERTA ORGANIZATIONS ENERGY PRODUCTIVITY IMPROVEMENTS

(SUPPORTS GOVERNMENT GOALS 7, 9 AND 17)

Data

The measure uses annual data from the National Voluntary Challenge and Registry Program (VCR Inc.) in order to determine the number of Alberta organization action plans that have been registered. This number indicates success in obtaining voluntary action by Alberta organizations to reduce greenhouse gas emissions.

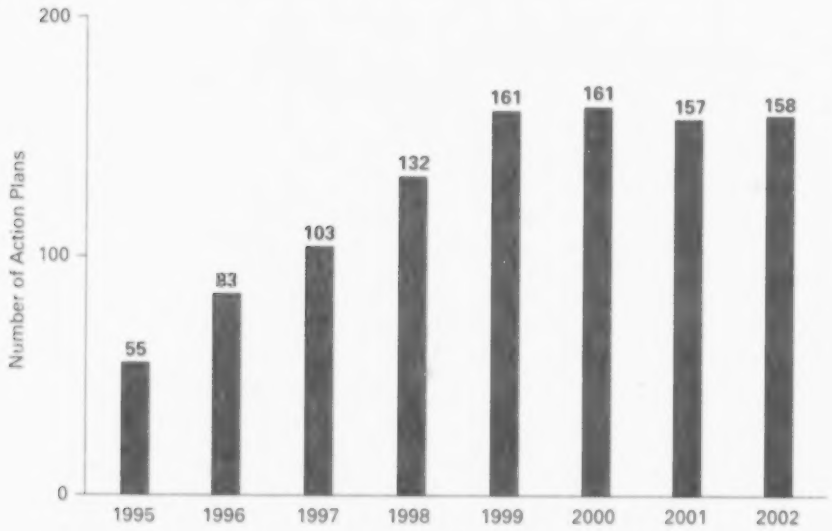
Target

Continued increase in the number of registered plans with VCR Inc.

Results

The cumulative number of action plans submitted as at October 31, 2002 was 158. As Figure 6 indicates, this has been fairly constant for four years.

Figure 6 – Cumulative Number of Submitted Action Plans from Alberta Companies to VCR Inc.



Air Quality Index

The measure is based on data collected from nine continuous monitoring stations across the province – three stations in both Edmonton and Calgary, and one station in each of Red Deer, Fort McMurray and Fort Saskatchewan. The data from these stations is used to calculate the Index of Quality of Air (IQUA) every hour.

This index associates concentrations of five major air pollutants to provincial air quality guidelines. Outdoor concentrations of carbon monoxide, dust and smoke, nitrogen dioxide, ozone and sulphur dioxide are converted to an IQUA number. This number is used to determine whether the quality of the air is Good, Fair, Poor or Very Poor. These categories are derived using formulas based on air quality guidelines of the *Environmental Protection and Enhancement Act* and the National Air Quality Objectives.

Surface Water Quality Index

Monthly water quality samples are collected at two locations for each of the province's six major river systems. An index value is calculated for each of four variable groups for data collected between April and March, representing both a fiscal and a "water" year:

- Metals (up to 22 variables measured quarterly),
- Nutrients (six variables measured monthly, includes oxygen and pH),
- Bacteria (two variables measured monthly), and
- Pesticides (up to 17 variables measured four times through the summer).

Index values for the four variable groups are then averaged to produce an overall index of surface water quality that can be tracked over time.

The formula used to calculate index values for each group is based on three statistical attributes of water quality with respect to desirable levels (defined by water quality guidelines in most cases):

- Scope – the total number of water quality variables that do not meet guidelines,
- Frequency – the number of individual measurements for all variables combined that do not meet guidelines, and
- Amplitude – the amount by which measurements do not meet guidelines.

Variables in the first three groups (metals, nutrients and bacteria) are compared to guidelines listed in *Surface Water Quality Guidelines for Use in Alberta*. Where a number of guidelines exist for one variable, the guideline for the most sensitive use (recreation, agriculture, or the protection of aquatic life) is chosen. Drinking water guidelines are not considered, since surface water should not be used for drinking without first being treated.

Variables in the fourth group (pesticides) are evaluated based on whether they can be detected in a water sample. This conservative approach was adopted because some pesticides do not yet have official guidelines and, unlike metals, nutrients and bacteria, do not occur naturally in the environment.

Drinking Water Quality Indicator

Facility Design Standards

The measure is a result of an assessment of an approved drinking water facility against published Alberta Environment standards and guidelines for the design of drinking water treatment facilities. Staff members at Alberta Environment conduct these assessments annually and report the results. The reported result indicates the number of facilities operating under "grandfathered" requirements.

Administrative Non-Compliance

Approved drinking water facilities operate under conditions of an approval or registration issued under the *Environmental Protection and Enhancement Act*. Administrative non-compliance is defined, for the purposes of this performance measure, as incidents where an approval condition has not been met but which does not necessarily result in unsatisfactory water quality (example: operator not certified as required). Alberta Environment staff inspects approved facilities and reports on the number of non-compliance incidents identified during the annual inspections of approved facilities.

Qualitative Non-Compliance

Approved drinking water facilities must, under the conditions of their approval or registration, report on a number of quality parameters such as chlorine, turbidity, and other bacteriological parameters. Approvals issued for the facilities establish the limits for these parameters.

The data reported as this measure provides the number of incidents where a reported quality parameter exceeded the limits set out in facility approval and identifies the total number of these non-compliance incidents on a provincial basis. With electronic reporting capability being available and implemented, the Department's Electronic Monitoring System can produce specific reports on incidents of qualitative non-compliance.

Incidents of Illness

Regional Health Authorities routinely perform health surveillance to monitor for illness attributed to a single source such as food or water. Proper performance of approved facilities and education of the public who maintain their own water systems should reduce or eliminate the incidence of outbreaks attributed to unsatisfactory drinking water. The result is a count of the number of incidents attributed to consumption of unsatisfactory drinking water.

Reduction of Municipal Solid Waste to Landfills

The method used to calculate the annual waste reduction statistic was developed by the Canadian Council of Ministers of the Environment. The method is based on the use of measured amounts of material sent for disposal at landfills with weigh scales. Waste statistics are calculated for both urban and rural areas, and a composite statistic for the province is calculated using population estimates provided by Alberta Municipal Affairs. Reporting is voluntary, so a small number of jurisdictions do not respond. Estimates, which are used for jurisdictions not able or willing to participate in the measurement process, are determined by multiplying estimated populations by measured per capita disposal rates of reporting jurisdictions (for both rural and urban areas).

Pulp Production Versus Amount of Biochemical Oxygen Demand (BOD) Discharged

Data is derived from the discharge-monitoring component of the Ministry's Environmental Management System (EMS). The seven pulp mills submit monthly monitoring data that is entered into the EMS system. The BOD and pulp production data for the seven mills is extracted from EMS. The average pulp production per day and the average kg BOD released per day are calculated for each of the seven pulp mills for a given year. The average of all the seven mills is added to provide the total average pulp produced per day for all mills (A). The total average kg BOD released per day for all mills are also added together (B). This number (B) is then divided by the total average pulp produced per day (A) to arrive at the average kg BOD released per air-dried tonne of pulp produced.

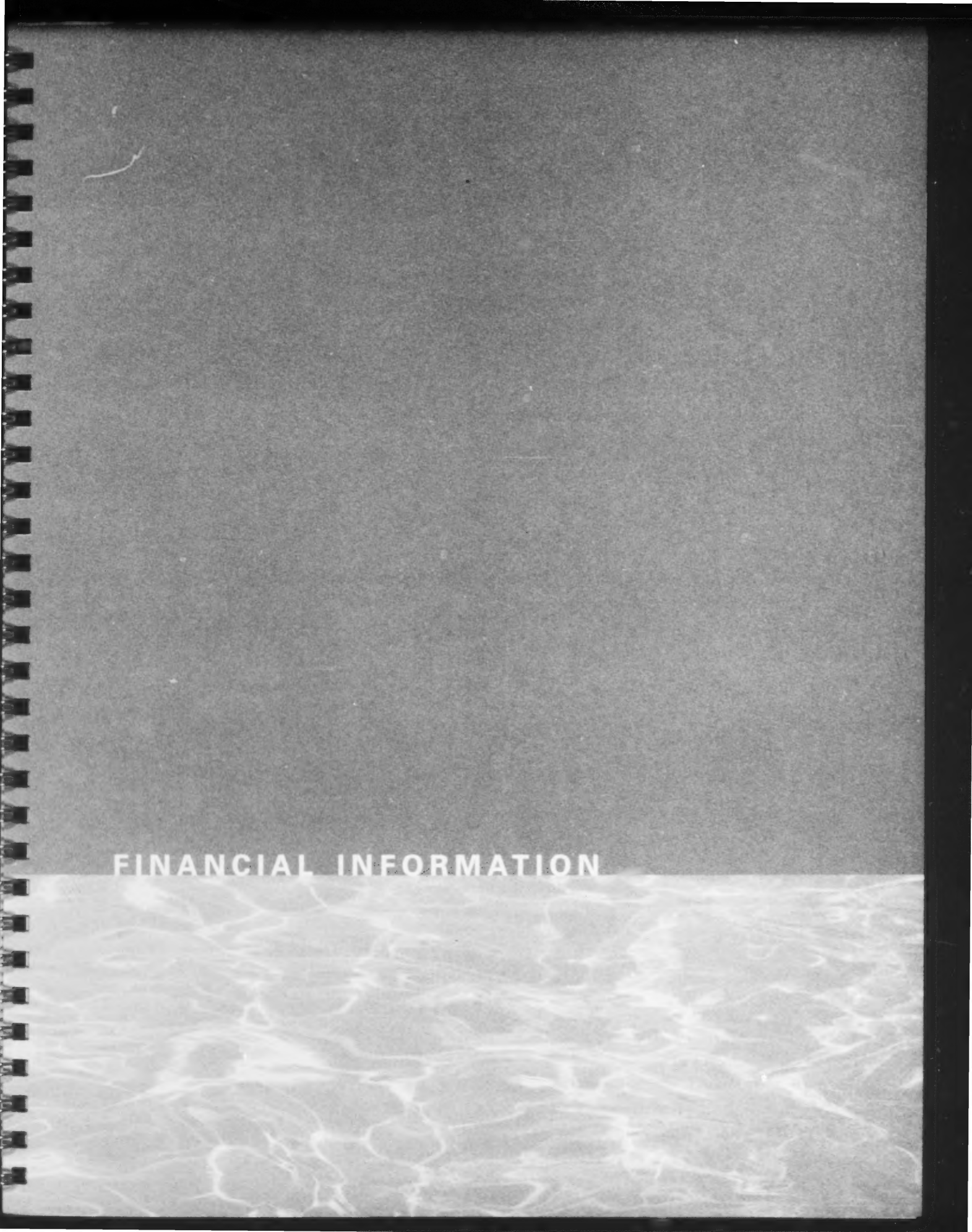
Government of Alberta Greenhouse Gas Emission Profile

Greenhouse gas emissions are calculated by either direct measurement of energy usage (i.e. cubic metres of natural gas and electricity, litres of gasoline, etc. that are tracked directly by Alberta Infrastructure or through estimations using information tracked by other departments, such as the number of government vehicles by an emissions factor) or an estimation is made based on government activities (i.e. kilometers traveled by employees in personal vehicles or waste levels). The results of the calculation are expressed in kilotonnes of CO_2 equivalent, the international standard for measuring greenhouse gas emissions. With the exception of electricity and waste, emission factors are based on Environment Canada data published through the National Voluntary Challenge and Registry Program (VCR Inc.).

Alberta Organizations Energy Productivity Improvements

Data is obtained from VCR Inc., a non-profit partnership between industry and governments across Canada. Its mandate is to provide the means for promoting, assessing and recognizing the effectiveness of the voluntary approach in addressing climate change.

Only organizations that have head offices located in Alberta are included in this data.

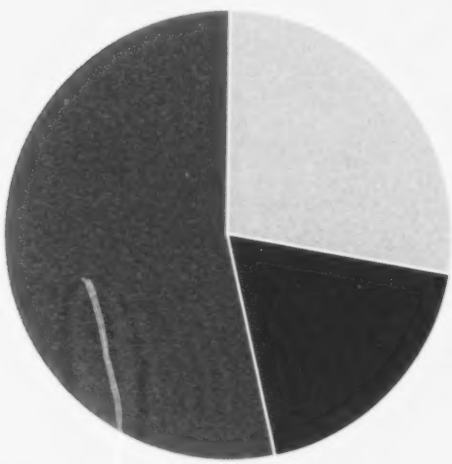

FINANCIAL INFORMATION

Revenues

The Ministry revenues in 2002-2003 are $6.9 million, $3.2 million lower than the budget of $10.1 million. This decrease is primarily due to the deferral of reclamation at the Smoky River Coal mine site to 2003-2004, as well as a decrease in regulatory approval fees.

The different sources of Ministry revenues are illustrated in Figure 7. Internal government transfers were the largest source of revenue for the Ministry, contributing $3.7 million. Fees, Permits and Licences provided $1.9 million, and other revenue sources generated $1.3 million.

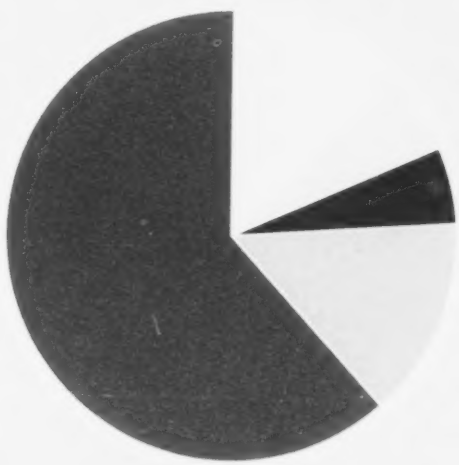
Figure 7: 2002-2003 Revenues by Sources (in millions)



LEGEND

- Internal Government Transfers – $3.7 or 53.6%
- Fees, Permits and Licences – $1.9 or 27.6%
- Other Revenue – $1.3 or 18.8%

Figure 8: 2002-2003 Operating Expense by Core Business (in millions)



LEGEND

- Environmental Assurance – $66.5 or 61.7%
- Environmental Stewardship – $15.6 or 14.4%
- Hazard and Risk Management – $5.9 or 5.5%
- Strategic Business Services – $6.5 or 6.0%
- Environmental Leadership – $13.4 or 12.4%

Expenses

To achieve the Ministry's mission, Environment's 2002-2005 Business Plan has the following five core businesses:

- Environmental Leadership
- Environmental Assurance
- Environmental Stewardship
- Hazard and Risk Management
- Strategic Business Services

The expense for each core business is shown in Figure 8. These expenses include valuation adjustments, which are allocated according to the percentage of resources allocated to each core business.

In the Ministry's financial statements, the valuation adjustments are not allocated to each core business, as it is reported in the Statutory expense section. Similarly, the Hazard and Risk Management core business in Figure 8 includes statutory expenses for the Land Reclamation Program, the Special Waste Management Program, Emergency Spills and Cleanups, and Drought and Flood Emergencies. In the Ministry's financial statements, these program expenses are reported in the Statutory expense section. Table 2 shows the allocation of Statutory program expenses to each core business.

Table 2: Ministry Expense by Core Business
unaudited
(in thousands)

		Statutory						
		Environment Statutory Programs				Valuation Adjustments		
Core Business	2003 Voted Actual Expenses	Land Reclamation	Special Waste Management Program	Emergency Spills and Cleanups	Drought and Flood Emergencies	Provision for Vacation Pay	Provision for Doubtful Accounts	Revised 2003 Core Business Expenses
Environmental Leadership	$ 13,366	$ –	$ –	$ –	$ –	$ (16)	$ –	$ 13,350
Environmental Assurance	66,615	–	–	–	–	(82)	8	66,541
Environmental Stewardship	15,597	–	–	–	–	–	–	15,597
Hazard and Risk Management	2,231	907	752	1,311	711	2	–	5,914
Strategic Business Services	6,500	–	–	–	–	(14)	–	6,486
Total Ministry Expense	$ 104,309	$ 907	$ 752	$ 1,311	$ 711	$ (110)	$ 8	$ 107,888

Environmental Leadership

The Ministry spent $13.4 million on the Environmental Leadership core business to build and enhance relationships with Albertans. The key expenses within this core business included the development and implementation of *Albertans & Climate Change: Taking Action*, as well as expenses associated with the Southern Alberta Sustainability Strategy, the Northern East Slopes Regional Strategy, the *Water for Life* strategy, cross-ministry regulatory reviews, the Ministry business plan, and strategic planning.

Environmental Assurance

The Ministry spent $66.5 million to ensure that the environment was managed in a safe and sustainable manner in the present, and for the future. Expenses within this core business included activities in assessment and approvals, compliance, monitoring, standards setting, Environmental Impact Assessments and science.

Environmental Stewardship

The Ministry spent $15.6 million on the Environmental Stewardship core business. One of the major expenses included grants to the Waste Management Assistance Program to assist municipalities in establishing regional waste management systems and upgrading landfills with modern waste disposal infrastructure. Other activities included the development of public education programs and online access to information. The Ministry continues to encourage and develop awareness, understanding, environmentally responsible behaviour and decision-making by individuals, communities and industries.

Hazard and Risk Management

The Ministry spent $5.9 million on the Hazard and Risk Management core business. This core business ensures response systems are in place to provide prompt and effective responses to environmental emergencies. Activities include managing the impact of drought, floods and toxic spills, and effective management of industrial and human waste.

Strategic Business Services

The Ministry spent $6.5 million on the Strategic Business Services core business. Services of this core business included human resources, finance, information technology, legal, the Freedom of Information and Protection of Privacy, and central administration.

AUDITOR GENERAL *Alberta*

AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Environment as at March 31, 2003 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Ministry is required to follow the corporate government accounting policies and reporting practices established by Alberta Finance, including the following policies that are exceptions from Canadian generally accepted accounting principles.

Site Restoration Costs

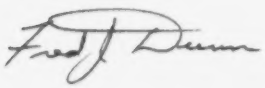
A provision for the future costs of site restoration has been disclosed for the Swan Hills waste treatment plant as described in Note 6 to these financial statements. However, numerous other sites exist where the Ministry is responsible for site restoration. Management has identified sites that are owned by the government and for which the Ministry is responsible for site restoration. The cost to restore these sites is estimated to be $14.7 million. For these identified sites, no liability has been recorded. As a result, liabilities are understated and net assets overstated by $14.7 million. In addition, there are a number of other sites not owned by the government for which the Ministry may be responsible for site restoration. These financial statements do not disclose the Ministry's liability for the restoration of the sites not owned by the government.

Capitalization of Assets

Capital assets costing less than $15,000 are expensed in the year acquired and have not been recognized as assets in the accompanying statement of financial position. Consequently, the annual amortization of these assets has not been recognized in the statement of operations. In my opinion, an amount estimated to be at least $9 million, representing the net book value of the Department's capital assets under $15,000 as at March 31, 2003, should be recognized in these financial statements. The effect of this understatement of assets on expenses cannot reasonably be determined.

In my opinion, except for the effects of the matters discussed in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2003 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

I also report that the provisions described in Notes 5 and 6 of these financial statements have not been recognized in the statement of financial position. The two provisions and their associated expenses relate to monitoring and reclamation activities at the Swan Hills waste treatment plant. In the current year, these provisions are recognized in the financial statements of the Ministry of Sustainable Resource Development. The expenses related to these provisions are recognized in both the Ministries of Environment and Sustainable Resource Development. In my opinion, it is uncertain in which ministry's financial statements these provisions and associated expenses should be recognized.



FCA
Auditor General

Edmonton, Alberta
May 23, 2003

STATEMENT OF OPERATIONS

Year e..ded March 31, 2003
(in thousands)

	2003		2002
	Budget (Schedule 4)	Actual	Actual
Revenues (Schedules 1 and 2)			
Internal Government Transfers	$ 7,250	$ 3,681	$ 4,016
Transfer from the Government of Canada	–	–	224
Fees, Permits and Licences	2,108	1,970	1,947
Other Revenue	733	1,263	1,042
	10,091	6,914	7,229
Expenses – Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 2, 3 and 5)			
Environmental Leadership	9,978	13,366	25,848
Environmental Assurance	72,874	66,615	69,965
Environmental Stewardship	12,596	15,597	15,384
Hazard and Risk Management	2,131	2,231	2,920
Strategic Business Services	5,513	6,500	6,158
	103,092	104,309	120,275
Statutory (Schedules 3 and 5)			
Land Reclamation Program	4,500	907	1,056
Special Waste Management Program	–	752	913
Emergency Spills and Cleanups	750	1,311	876
Drought and Flood Emergencies	2,000	711	1,171
Valuation Adjustments			
Provision for Doubtful Accounts	–	8	64
Provision (Decrease) for Vacation Pay	99	(110)	27
	7,349	3,579	4,107
	110,441	107,888	124,382
Loss on Disposal of Capital Assets	–	161	20
Net Operating Results	$ (100,350)	$ (101,135)	$ (117,173)

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

March 31, 2003
(in thousands)

	2003	2002
ASSETS		
Cash	$ 55	$ 17
Accounts Receivable (Note 3)	1,178	1,117
Advances	4	41
Capital Assets (Note 4)	741,655	710,736
	$ 742,892	$ 711,911
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 13,464	$ 15,479
Unearned Revenue	984	1,007
	14,448	16,486
NET ASSETS		
Net Assets at Beginning of Year	695,425	702,168
Net Operating Results	(101,135)	(117,173)
Net Transfer from General Revenues	134,154	110,430
Net Assets at End of Year	728,444	695,425
	$ 742,892	$ 711,911

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended March 31, 2003
(in thousands)

	2003	2002
Operating Transactions		
Net Operating Results	$ (101,135)	$ (117,173)
Non-cash Items		
Amortization of Capital Assets	15,411	14,751
Loss on Disposal of Capital Assets	161	20
Valuation Adjustments	(102)	91
	(85,665)	(102,311)
Increase in Accounts Receivable	(69)	(523)
Decrease in Advances	37	11
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(1,905)	6,499
Decrease in Unearned Revenue	(23)	(24)
Cash Used by Operating Transactions	(87,625)	(96,348)
Investing Transactions		
Purchase of Capital Assets (Schedule 5)	(407)	(1,921)
Transfer of Capital Assets from Other Government Entities	(46,084)	(12,144)
Cash Used by Investing Transactions	(46,491)	(14,065)
Financing Transactions		
Net Transfer from General Revenues	134,154	110,430
Net Cash Provided	38	17
Cash, Beginning of Year	17	–
Cash, End of Year	$ 55	$ 17

The accompanying notes and schedules are part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2003
(IN THOUSANDS)

Note 1
Authority and Purpose

The Ministry of Environment operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

Mission: Steward the use of and ensure the protection of our diverse environment to sustain a prosperous economy, healthy Albertans, and strong communities.

To achieve our mission, the Ministry has the following core businesses:

- Environmental Leadership – builds and enhances proactive relationships with Albertans.
- Environmental Assurance – provides certainty to Albertans that the environment is being managed in a safe and sustainable manner in the present and for the future.
- Environmental Stewardship – encourages and develops awareness, understanding, environmentally responsible behaviour and decision-making by individuals, communities and industries.
- Hazard and Risk Management – ensures that public notification and response systems are in place to provide prompt and effective responses to environmental emergencies.
- Strategic Business Services – supports the Ministry to achieve its goals.

Note 2
Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

(a) Reporting Entity

The reporting entity is the Ministry of Environment for which the Minister of Environment is accountable. All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

YEAR ENDED MARCH 31, 2003
(IN THOUSANDS)

Note 2
Summary of Significant Accounting Policies and Reporting Practices – (cont'd)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiative.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100 and the threshold for all other capital assets is $15. All land is capitalized.

YEAR ENDED MARCH 31, 2003
(IN THOUSANDS)

Note 2
Summary of Significant Accounting Policies and Reporting Practices – (cont'd)

(b) Basis of Financial Reporting – (cont'd)

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values.

Note 3
Accounts Receivable

	2003			2002
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	$ 1,163	$ (5)	$ 1,158	$ 1,117
Refunds from Suppliers	20	–	20	–
	$ 1,183	$ (5)	$ 1,178	$ 1,117

Accounts receivable are unsecured and interest bearing.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2003
(IN THOUSANDS)

Note 4
Capital Assets

	Estimated Useful Life	2003 Cost	2003 Accumulated Amortization	2003 Net Book Value	2002 Net Book Value
General Capital Assets:					
Equipment*	3-10 years	$ 7,894	$ 7,218	$ 676	$ 700
Computer Hardware and Software	5-10 years	16,155	10,439	5,716	6,943
Infrastructure Assets:					
Land Improvements	40 years	16	1	15	34
Bridges	60 years	469	31	438	446
Dam and Water Management Structures**	25-80 years	942,785	207,975	734,810	702,613
		$ 967,319	$ 225,664	$ 741,655	$ 710,736

* Equipment includes office, laboratory, vehicles, heavy and mobile equipment.

** Dams and water management structures include dams, reservoirs, weirs, canals, dykes, ditches, channels, diversions, cut-offs, pump houses and erosion protection structures.

Changes to capital assets were as follows:

	2003	2002
Net Book Value at Beginning of Year	$ 710,736	$ 711,442
Purchase of Capital Assets	407	1,921
Disposals and Write Downs	(161)	(20)
Transfer from Other Government Entities	46,084	12,144
Amortization of Capital Assets	(15,411)	(14,751)
Net Book Value at End of Year	$ 741,655	$ 710,736

YEAR ENDED MARCH 31, 2003
(IN THOUSANDS)

Note 5
Cell Monitoring and Remediation

The Ministry is responsible for maintaining the integrity of landfill cells at the Swan Hills Waste Treatment Plant. In 2002-2003, the Ministry expensed $35 in the Special Waste Management Program to fulfill its monitoring duties. The Ministry received an internal government transfer of $35 from the Environmental Protection and Enhancement Fund to cover these expenses.

Note 6
Future Removal and Site Restoration

The Ministry of Environment funds the Provision for Site Remediation upon closure of the Swan Hills Waste Treatment Plant. The associated liability resides within the Environmental Protection and Enhancement Fund, which is part of the Ministry of Sustainable Resource Development. This is a result of government restructuring, whereby the responsibility of Section 30 of the *Environmental Protection and Enhancement Act* is shared between the Ministries of Environment and Sustainable Resource Development; however, the Environmental Protection and Enhancement Fund entity is the responsibility of Sustainable Resource Development, and the operating results of the plant are reported by the Department of Infrastructure.

Note 7
Commitments

As at March 31, 2003, the Ministry has the following commitments:

	2003	2002
Service contracts (a)	$ 13,070	$ 8,739
Long-term leases (b)	953	817
Grants		
Waste Management Assistance Program	2,301	1,091
Animal and Human Health Scientific Study	192	–
Various other programs	360	1,321
	$ 16,876	$ 11,968

(a) Commencing May 1, 2010, the Ministry has a contractual obligation with the Piikani Nation of $800 annually.

(b) The Ministry leases certain equipment under operating leases that expire on various dates to 2007. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2004	$ 422
2005	265
2006	196
2007	70
	$ 953

YEAR ENDED MARCH 31, 2003
(IN THOUSANDS)

Note 8
Contingencies

At March 31, 2003, the Ministry is a defendant in forty-seven legal claims (2002 – fifty-five legal claims). Forty-one of these claims have specified amounts totalling $764,298 and the remaining six have no specified amount (2002 – forty six claims with a specified amount of $821,951 and nine with no specified amount). Included in the total legal claims are eight claims in which the Ministry has been named as the sole defendant (2002 – eight legal claims). Seven of these claims have specified amounts totalling $34,662, and the remaining claim has no specified amount (2002 – six claims with a specified amount of $36,696 and two with no specified amount). In addition, there are twelve claims in which the Ministry has been jointly named with other entities (2002 – sixteen legal claims). Seven of these claims have specified amounts totalling $91,435 and the remaining five claims have no specified amount (2002 – ten claims with specified amounts totalling $89,527 and six claims with no specified amount). Twenty-seven claims amounting to $638,201 are covered by the Alberta Risk Management Fund (2002 – thirty claims with specified amounts totalling $695,728 and one claim with no specified amount).

The resulting loss, if any, from these claims cannot be determined.

The Ministry also has a contingent liability with respect to future site restoration costs associated with various properties owned by the province. The Ministry recognizes these expenses in the period that site restoration work is performed.

Note 9
Trust Funds Under Administration

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

As at March 31, 2003, trust funds under administration were as follows:

	2003	2002
General Trust	$ 10	$ 10
Environmental Protection Security Fund	3,524	2,985
	$ 3,534	$ 2,995

In addition to the above trust funds under administration, the Ministry holds bank guarantees in the form of letters of credit and promissory notes in the amount of $349,538 (2002 – $254,130). The majority of these guarantees are held to assure satisfactory reclamation of coal and oil sands operations, sand and gravel pits, hazardous waste management and hazardous recyclable facilities.

YEAR ENDED MARCH 31, 2003
(IN THOUSANDS)

Note 10
Defined Benefit Plans

The Ministry participates in the multiemployer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multiemployer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $2,566 for the year ended March 31, 2003 (2002 – $2,643).

At December 31, 2002, the Management Employees Pension Plan reported a deficiency of $301,968 (2001 – surplus $5,338) and the Public Service Pension Plan reported an actuarial deficiency of $175,528 (2001 – actuarial surplus $320,487). At December 31, 2002, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $6,472 (2001 – actuarial deficiency $399).

The Ministry also participates in two multiemployer Long Term Disability Income Continuance Plans. At March 31, 2003, the Bargaining Unit Plan reported an actuarial deficiency of $14,434 (2002 – $8,646) and the Management, Opted Out and Excluded Plan an actuarial deficiency of $3,053 (2002 – $2,656). The expense for these two plans is limited to employer's annual contributions for the year.

Note 11
Comparative Figures

Certain 2002 figures have been reclassified to conform to the 2003 presentation.

Note 12
Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

SCHEDULE TO FINANCIAL STATEMENTS

REVENUES

Schedule 1

Year ended March 31, 2003
(in thousands)

	2003		2002
	Budget	Actual	Actual
Internal Government Transfers			
Transfer from the Environmental Protection and Enhancement Fund	$ 7,250	$ 3,681	$ 4,016
Transfer from the Government of Canada	–	–	224
Fees, Permits and Licences			
Land and Grazing	–	55	47
Other	2,108	1,915	1,900
	2,108	1,970	1,947
Other Revenue			
Refunds of Expenditure	–	470	4
Other	733	793	1,038
	733	1,263	1,042
	$ 10,091	$ 6,914	$ 7,229

SCHEDULE TO FINANCIAL STATEMENTS
DEDICATED REVENUE INITIATIVE

Schedule 2

Year ended March 31, 2003
(in thousands)

	2003		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall)/ Excess
Water Management Infrastructure	$ 462	$ 252 [1]	$ (210)

(1) Shortfall is deducted from current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

The Water Management Infrastructure dedicated revenue initiative refers to the maintenance and upgrading of the provincial water management infrastructure system. Revenues are received through the Use of Works Agreements whereby developers pay an annual fee to the Province.

Note: The dedicated revenue presented in this schedule is included in the Ministry's Statement of Operations.

SCHEDULE TO FINANCIAL STATEMENTS
EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT

Schedule 3

Year ended March 31, 2003
(in thousands)

	2003		2002
	Budget	Actual	Actual
Voted			
Salaries, Wages and Employee Benefits	$ 53,555	$ 52,034	$ 54,896
Supplies and Services	31,180	30,965	32,173
Grants	6,582	9,843	22,923
Financial Transactions and Other	83	83	80
Amortization of Capital Assets	15,900	15,411	14,751
Total Voted Expenses before Recoveries	107,300	108,336	124,823
Less Recovery from Support Service Arrangements with Related Parties (a)	(4,208)	(4,027)	(4,548)
	$ 103,092	$ 104,309	$ 120,275
Statutory			
Salaries, Wages and Employee Benefits	$ –	$ 76	$ 157
Supplies and Services	7,250	2,788	3,190
Grants	–	192	44
Financial Transactions and Other	–	625	625
Valuation Adjustments			
Provision for Doubtful Accounts	–	8	64
Provision (Decrease) for Vacation Pay	99	(110)	27
	$ 7,349	$ 3,579	$ 4,107

(a) The Ministry provides financial and administrative services to the Ministry of Sustainable Resource Development. Costs incurred by the Ministry for these services are recovered from Sustainable Resource Development.

SCHEDULE TO FINANCIAL STATEMENTS
BUDGET

Schedule 4

Year ended March 31, 2003
(in thousands)

	2002-2003 Estimates	Adjustment (a)	2002-2003 Budget	Authorized Supplementary (b)	2002-2003 Authorized Budget
Revenues:					
Internal Government Transfers	$ 7,250	$ –	$ 7,250	$ –	$ 7,250
Fees, Permits and Licences	2,108	–	2,108	–	2,108
Other Revenue	733	–	733	–	733
	10,091	–	10,091	–	10,091
Expenses – Directly Incurred:					
Voted Expenses					
Environmental Leadership	9,978	–	9,978	–	9,978
Environmental Assurance	72,874	–	72,874	–	72,874
Environmental Stewardship	12,596	–	12,596	2,000	14,596
Hazard and Risk Management	2,131	–	2,131	–	2,131
Strategic Business Services	5,513	–	5,513	–	5,513
Dedicated Revenue Shortfall (Schedule 2)	–	(210)	(210)	–	(210)
	103,092	(210)	102,882	2,000	104,882
Statutory Expenses					
Land Reclamation Program	4,500	–	4,500	–	4,500
Emergency Spills and Cleanups	750	–	750	–	750
Drought and Flood Emergencies	2,000	–	2,000	–	2,000
Valuation Adjustments					
Provision for Vacation Pay	99	–	99	–	99
	7,349	–	7,349	–	7,349
	110,441	(210)	110,231	2,000	112,231
Net Operating Results	$ (100,350)	$ 210	$ (100,140)	$ (2,000)	$ (102,140)
Capital Investment	$ 358	$ –	$ 358	$ –	$ 358

(a) Adjustment includes dedicated revenue shortfall.

(b) The Supplementary Estimate of $2,000 was approved on March 10, 2003.
Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act*.

SCHEDULE TO FINANCIAL STATEMENTS

COMPARISON OF EXPENSES – DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET

Schedule 5

Year ended March 31, 2003
(in thousands)

	2002-2003 Estimates	Adjustment (a)	2002-2003 Budget	Authorized Supplementary (b)	2002-2003 Authorized Budget	2002-2003 Actual	Unexpended (Over Expended)
Voted Expenses and Capital Investments							
Ministry Support Services							
1.0.1 Minister's Office	$ 336	$ –	$ 336	$ –	$ 336	$ 336	$ –
1.0.2 Deputy Minister's Office	350	–	350	–	350	349	1
1.0.3 Communications	482	–	482	–	482	468	14
1.0.4 Strategic Corporate Services	4,314	–	4,314	–	4,314	4,226	88
1.0.5 Amortization of Capital Assets	31	–	31	–	31	107	(76)
1.0.6 Achievement Award	–	–	–	–	–	1,014	(1,014)
Total Program 1	5,513	–	5,513	–	5,513	6,500	(987)
Environmental Protection							
2.1 Environmental Leadership							
2.1.1 Proactive Environmental Protection	9,893	–	9,893	–	9,893	13,366	(3,473)
2.2 Environmental Assurance							
2.2.1 Environmental Rules and Regulations							
- Operating Expense	57,613	–	57,613	–	57,613	52,416	5,197
- Capital Investment	163	–	163	–	163	162	1
	57,776	–	57,776	–	57,776	52,578	5,198
2.3 Environmental Stewardship							
2.3.1 Partnerships for Environmental Protection	5,657	–	5,657	2,000	7,657	7,839	(182)
2.3.2 Environmental Education and Information							
- Operating Expense	6,473	–	6,473	–	6,473	6,743	(270)
- Capital Investment	–	–	–	–	–	245	(245)
	12,130	–	12,130	2,000	14,130	14,827	(697)
2.4 Hazard and Risk Management							
2.4.1 Environmental Protection Emergencies							
- Operating Expense	2,074	–	2,074	–	2,074	2,141	(67)
- Capital Investment	195	–	195	–	195	–	195
	2,269	–	2,269	–	2,269	2,141	128
2.5 Non-Cash Transactions							
2.5.1 Amortization of Capital Assets	15,869	–	15,869	–	15,869	15,304	565
Total Program 2	97,937	–	97,937	2,000	99,937	98,216	1,721

SCHEDULE TO FINANCIAL STATEMENTS

COMPARISON OF EXPENSES – DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET

Schedule 5 – (cont'd)

Year ended March 31, 2003
(in thousands)

	2002-2003 Estimates	Adjustment (a)	2002-2003 Budget	Authorized Supplementary (b)	2002-2003 Authorized Budget	2002-2003 Actual	Unexpended (Over Expended)
Voted Expenses and Capital Investments							
Dedicated Revenue Shortfall (Schedule 2)	–	(210)	(210)	–	(210)	–	(210)
	$103,450	$ (210)	$103,240	$ 2,000	$105,240	$104,716	$ 524
Program Operating Expense	$103,092	$ (210)	$102,882	$ 2,000	$104,882	$104,309	$ 573
Program Capital Investment	358	–	358	–	358	407	(49)
	$103,450	$ (210)	$103,240	$ 2,000	$105,240	$104,716	$ 524
Statutory Expenses							
Land Reclamation Program	$ 4,500	$ –	$ 4,500	$ –	$ 4,500	$ 907	$ 3,593
Special Waste Management Program	–	–	–	–	–	752	(752)
Emergency Spills and Cleanups	750	–	750	–	750	1,311	(561)
Drought and Flood Emergencies	2,000	–	2,000	–	2,000	711	1,289
Valuation Adjustments	99	–	99	–	99	(102)	201
	$ 7,349	$ –	$ 7,349	$ –	$ 7,349	$ 3,579	$ 3,770

(a) Adjustment includes dedicated revenue shortfall.

(b) The Supplementary Estimate of $2,000 was approved on March 10, 2003.
Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act*.

SCHEDULE TO FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE

Schedule 6

Year ended March 31, 2003
(in dollars)

	2003			2002
	Salary[1]	Benefits and Allowances[2]	Total	Total
Deputy Minister[3]	$ 184,128	$ 53,486	$ 237,614	$ 206,889
Assistant Deputy Ministers				
Environmental Assurance Division	131,518	31,998	163,516	149,387
Regional Services Division[4]	140,427	40,103	180,530	161,037
Strategic Directions Division[5]	138,632	37,799	176,431	153,292
Strategic Corporate Services Division[6] [7]	133,578	31,653	165,231	50,142
Director, Human Resource Services	93,312	16,147	109,459	127,646

Total salary and benefits relating to a position are disclosed.

(1) Salary includes regular base pay, bonuses, overtime and lump sum payments.
(2) Benefits and allowances include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, WCB premiums, professional memberships and tuition fees.
(3) Automobile provided, no dollar amount included in benefits and allowances.
(4) Benefits and allowances include vacation payments to the Assistant Deputy Minister, Regional Services Division $4,752 (2002 $8,224).
(5) Benefits and allowances include vacation payments to the Assistant Deputy Minister, Strategic Directions Division $3,262.
(6) The Assistant Deputy Minister of Strategic Corporate Services position was created in 2001 and filled on November 20, 2001.
(7) The incumbent's services are shared with the Ministry of Sustainable Resource Development which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule.

SCHEDULE TO FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS

Schedule 7

Year ended March 31, 2003
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2003	2002
Revenue		
Internal Government Transfers	$ 3,681	$ 4,016
Expenses – Directly Incurred		
Other services	$ 4,858	$ 5,799
Capital Assets Transferred	$ 46,084	$ 12,144
Receivable from	$ 878	$ 646
Payable to	$ 307	$ 263

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 8.

	Other Entities	
	2003	2002
Expenses – Incurred by Others		
Accommodation	$ 4,587	$ 4,605
Legal	2,028	1,620
Roads/Bridges Maintenance	4,320	–
	$ 10,935	$ 6,225

SCHEDULE TO FINANCIAL STATEMENTS
ALLOCATED COSTS

Schedule 8

Year ended March 31, 2003
(in thousands)

	2003							2002
		Expenses – Incurred by Others			Valuation Adjustments			
Program	Expenses[1]	Accommodation Costs	Legal Services	Roads/ Bridges Maintenance	Vacation Pay	Doubtful Accounts	Expenses	Expenses
Environmental Leadership	$ 13,366	$ 525	$ 66	$ –	$ (16)	$ –	$ 13,941	$ 26,393
Environmental Assurance	66,615	3,265	1,742	4,320	(82)	8	75,868	74,620
Environmental Stewardship	15,597	310	66	–	–	–	15,973	15,730
Hazard and Risk Management	2,231	128	110	–	2	–	2,471	3,191
Strategic Business Services	6,500	359	44	–	(14)	–	6,889	6,657
Land Reclamation Program	907	–	–	–	–	–	907	1,056
Special Waste Management Program	752	–	–	–	–	–	752	913
Emergency Spills and Cleanups	1,311	–	–	–	–	–	1,311	876
Drought and Flood Emergencies	711	–	–	–	–	–	711	1,171
	$ 107,990	$ 4,587	$ 2,028	$ 4,320	$ (110)	$ 8	$ 118,823	$ 130,607

(1) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments

STATEMENT OF REMISSIONS, COMPROMISES AND WRITE-OFFS

Year ended March 31, 2003
unaudited
(in thousands)

The following statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. This statement includes all remissions, compromises and write-offs made or approved during the fiscal year.

		2002-2003
Remissions under Section 21 of the *Financial Administration Act*	$	–
Compromises under Section 22 of the *Financial Administration Act*		
Other Accounts Receivable: *Environmental Protection and Enhancement Act*		–
Total Compromises		–
Write-offs:		
Ministry Accounts Receivable		3
Ministry Accounts Payable Credits		–
Total Write-offs		3
Total remissions, compromises and write-offs	$	3

ALPHABETICAL LIST OF GOVERNMENT ENTITIES' FINANCIAL STATEMENTS

Entities Included in the Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency – Ministry Annual Report

- Agriculture Financial Services Corporation – Agriculture, Food and Rural Development
- Alberta Alcohol and Drug Abuse Commission – Health and Wellness
- Alberta Energy and Utilities Board – Energy
- Alberta Foundation for the Arts – Community Development
- Alberta Gaming and Liquor Commission – Gaming
- Alberta Government Telephones Commission, The – Finance
- Alberta Heritage Foundation for Medical Research Endowment Fund – Revenue
- Alberta Heritage Savings Trust Fund – Revenue
- Alberta Heritage Scholarship Fund – Revenue
- Alberta Heritage Science and Engineering Research Endowment Fund – Revenue
- Alberta Historical Resources Foundation, The – Community Development
- Alberta Insurance Council – Finance
- Alberta Municipal Financing Corporation – Finance
- Alberta Pensions Administration Corporation – Finance
- Alberta Petroleum Marketing Commission – Energy
- Alberta Research Council Inc. – Innovation and Science
- Alberta Risk Management Fund – Revenue
- Alberta School Foundation Fund – Learning
- Alberta Science and Research Authority – Innovation and Science
- Alberta Securities Commission – Revenue
- Alberta Social Housing Corporation – Seniors
- Alberta Sport, Recreation, Parks and Wildlife Foundation – Community Development
- Alberta Treasury Branches – Finance
- ATB Investment Services Inc. – Finance

Ministry, Department, Fund or Agency – Ministry Annual Report

- Child and Family Services Authorities – Children's Services
  - Awasak Child and Family Services Authority
  - Calgary Rocky View Child and Family Services Authority
  - Child and Family Services Authority Region 13
  - Child and Family Services Authority Region 14
  - Diamond Willow Child and Family Services Authority
  - Hearthstone Child and Family Services Authority
  - Keystone Child and Family Services Authority
  - Ma' Mowe Capital Region Child and Family Services Authority
  - Metis Settlements Child and Family Services Authority
  - Neegan Awas'sak Child and Family Services Authority
  - Ribstone Child and Family Services Authority
  - Sakaigun Asky Child and Family Services Authority
  - Sakaw-Askiy Child and Family Services Authority
  - Silver Birch Child and Family Services Authority
  - Southeast Alberta Child and Family Services Authority
  - Sun Country Child and Family Services Authority
  - West Yellowhead Child and Family Services Authority
  - Windsong Child and Family Services Authority
- Credit Union Deposit Guarantee Corporation – Finance
- Crop Reinsurance Fund of Alberta – Agriculture, Food and Rural Development
- Department of Agriculture, Food and Rural Development – Agriculture, Food and Rural Development
- Department of Children's Services – Children's Services
- Department of Community Development – Community Development
- Department of Energy – Energy
- Department of Finance – Finance
- Department of Gaming – Gaming
- Department of Health and Wellness – Health and Wellness
- Department of Innovation and Science – Innovation and Science
- Department of Learning – Learning
- Department of Revenue – Revenue
- Department of Seniors – Seniors
- Department of Solicitor General – Solicitor General
- Department of Sustainable Resource Development – Sustainable Resource Development
- Environmental Protection and Enhancement Fund – Sustainable Resource Development
- Gainers Inc. – Finance
- Government House Foundation, The – Community Development
- Historic Resources Fund – Community Development
- Human Rights, Citizenship and Multiculturalism Education Fund – Community Development
- iCORE Inc. – Innovation and Science
- Lottery Fund – Gaming

Ministry, Department, Fund or Agency – Ministry Annual Report

- Ministry of Aboriginal Affairs and Northern Development[1] – Aboriginal Affairs and Northern Development
- Ministry of Agriculture, Food and Rural Development – Agriculture, Food and Rural Development
- Ministry of Children's Services – Children's Services
- Ministry of Community Development – Community Development
- Ministry of Economic Development[1] – Economic Development
- Ministry of Energy – Energy
- Ministry of Environment[1] – Environment
- Ministry of Finance – Finance
- Ministry of Executive Council[1] – Executive Council
- Ministry of Gaming – Gaming
- Ministry of Government Services[1] – Government Services
- Ministry of Health and Wellness – Health and Wellness
- Ministry of Human Resources and Employment[1] – Human Resources and Employment
- Ministry of Infrastructure[1] – Infrastructure
- Ministry of Innovation and Science – Innovation and Science
- Ministry of International and Intergovernmental Relations[1] – International and Intergovernmental Relations
- Ministry of Justice[1]– Justice
- Ministry of Learning – Learning
- Ministry of Municipal Affairs[1] – Municipal Affairs
- Ministry of Revenue – Revenue
- Ministry of Seniors – Seniors
- Ministry of Solicitor General - Solicitor General
- Ministry of Sustainable Resource Development – Sustainable Resource Development
- Ministry of Transportation[1] – Transportation
- N.A. Properties (1994) Ltd. – Finance
- Natural Resources Conservation Board – Sustainable Resource Development
- Persons with Developmental Disabilities Boards – Community Development
  - Calgary Region Community Board
  - Central Region Community Board
  - Edmonton Region Community Board
  - Michener Centre Facility Board[2]
  - Northeast Region Community Board
  - Northwest Region Community Board
  - Provincial Board
  - South Region Community Board
- Provincial Judges and Masters in Chambers Reserve Fund – Finance
- Supplementary Retirement Plan Reserve Fund – Finance
- Victims of Crime Fund – Solicitor General
- Wild Rose Foundation, The – Community Development

[1] *Ministry includes only the Department so separate Department financial statements are not necessary.*

[2] *Dissolved July 23, 2002*

Entities Not Included in the Consolidated Government Reporting Entity

Fund or Agency – Ministry Annual Report

- Alberta Cancer Board – Health and Wellness
- Alberta Foundation for Health Research – Innovation and Science
- Alberta Heritage Foundation for Medical Research – Innovation and Science
- Alberta Heritage Foundation for Science and Engineering Research – Innovation and Science
- Alberta Mental Health Board – Health and Wellness
- Alberta Teachers' Retirement Fund Board – Learning
- Improvement Districts' Trust Account – Municipal Affairs
- Local Authorities Pension Plan – Finance
- Long-Term Disability Income Continuance Plan, Bargaining Unit – Human Resources and Employment
- Long-Term Disability Income Continuance Plan, Management, Opted Out and Excluded – Human Resources and Employment
- Management Employees Pension Plan – Finance
- Provincial Judges and Masters in Chambers Pension Plan – Finance
- Public Post Secondary Institutions – Learning
- Public Service Management (Closed Membership) Pension Plan – Finance
- Public Service Pension Plan – Finance
- Regional Health Authorities – Health and Wellness
- School Boards – Learning
- Special Areas Trust Account, The – Municipal Affairs
- Special Forces Pension Plan – Finance
- Supplementary Retirement Plan for Provincial Judges and Masters in Chambers – Finance
- Supplementary Retirement Plan for Public Service Managers – Finance
- Workers' Compensation Board – Human Resources and Employment

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